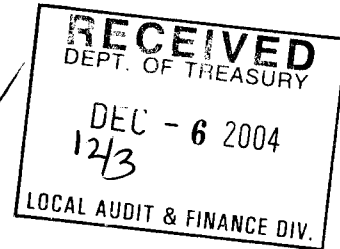


OCEOLA TOWNSHIP

(Livingston)

47-1130 ✓



REPORT ON AUDIT OF  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2004

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

|   |                                |  |                             |
|---|--------------------------------|--|-----------------------------|
| Local Government Type<br><input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other |                                | Local Government Name<br><b>OCEOLA TOWNSHIP</b>              | County<br><b>LIVINGSTON</b> |
| Audit Date<br><b>6/30/04</b>  | Opinion Date<br><b>9/30/04</b> | Date Accountant Report Submitted to State:<br><b>12/3/04</b> |                             |

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

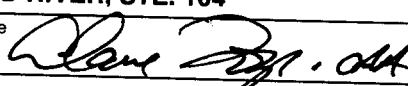
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

**We have enclosed the following:**

|   | Enclosed | To Be Forwarded | Not Required |
|---|----------|-----------------|--------------|
| The letter of comments and recommendations.                                   | ✓        |                 |              |
| Reports on individual federal financial assistance programs (program audits). |          |                 | ✓            |
| Single Audit Reports (ASLGU).   |          |                 | ✓            |

|   |  |                         |                        |
|---|--|-------------------------|------------------------|
| Certified Public Accountant (Firm Name)<br><b>PFEFFER, HANNIFORD &amp; PALKA, P.C.</b>                      |  |                         |                        |
| Street Address<br><b>225 E. GRAND RIVER, STE. 104</b>   |  | City<br><b>BRIGHTON</b> | State<br><b>MI</b>     |
| Accountant Signature<br> |  | ZIP<br><b>48116</b>     | Date<br><b>10/5/04</b> |

**OCEOLA TOWNSHIP**

**TOWNSHIP OFFICIALS**

Supervisor - William Bamber  
Clerk - Nancy Salmon  
Treasurer - Evelyn Cornell

**BOARD OF TRUSTEES**

William Bamber  
Evelyn Cornell  
Kieth Huff  
Nancy Salmon  
Lance Schuhmacher

**LEGAL COUNSEL**

Neal Nielsen & Associates

**TOWNSHIP AUDITORS**

Pfeffer, Hanniford & Palka  
Certified Public Accountants

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**PFEFFER • HANNIFORD • PALKA**  
Certified Public Accountants

**John M. Pfeffer, C.P.A.**  
**Patrick M. Hanniford, C.P.A.**  
**Kenneth J. Palka, C.P.A.**

Members:  
AICPA Private Practice Companies Section  
MACPA

**225 E. Grand River - Suite 104**  
**Brighton, Michigan 48116-1575**  
**(810) 229-5550**  
**FAX (810) 229-5578**

September 30, 2004

Board of Trustees  
Oceola Township  
P.O. Box 406  
Howell, Michigan 48844-0406

INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oceola Township as of and for the year ended June 30, 2004, which collectively comprise Oceola Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Oceola Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Oceola Township as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 10, the Township has implemented a new financial reporting model as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of June 30, 2004.

The Management's Discussion and Analysis and other required supplementary information on pages 9 through 14 and 36 through 37 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oceola Township's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, such as the combining statements and individual fund statements, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Pfeffer, Hanniford & Palka, P.C.*

PFEFFER, HANNIFORD & PALKA  
Certified Public Accountants



MANAGEMENT  
DISCUSSION  
AND  
ANALYSIS

Management Discussion and Analysis  
June 30, 2004

---

Within this section of Ocala Township's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended June 30, 2004. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Township's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Township also includes in this report additional information to supplement the basic financial statements.

***Government-wide Financial Statements***

The Township's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Assets. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating. Evaluation of the overall health of the Township may extend to various non-financial factors as well.

The second government-wide statement is the Statement of Activities which reports how the Township's net assets changed during the current fiscal year. The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Governmental activities include such activities as general government, public safety, and planning and zoning departments. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

The Township's financial reporting includes all the funds of the Township (primary government) and, additionally, organizations for which the Township is accountable (component units).

## ***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the combining statements later in this report.

The Township has two kinds of funds:

*Governmental funds* are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net assets.

*Fiduciary funds* are reported in the fiduciary fund financial statements, but are excluded from the government-wide statements. Fiduciary fund financial statements report resources that are not available to fund Township activities.

## ***Notes to the financial statements***

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements.

## ***Other information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

## **Financial Analysis of the Township as a Whole**

The Township has implemented the new financial reporting model used in this report beginning with the current fiscal year ended June 30, 2004. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Township as a whole.

The Township's net assets at the end of the fiscal year were \$9,396,348. This is a \$3,079,505 increase over last year's net assets of \$6,316,843.

The following tables provide a summary of the Township's financial activities and changes in net assets:

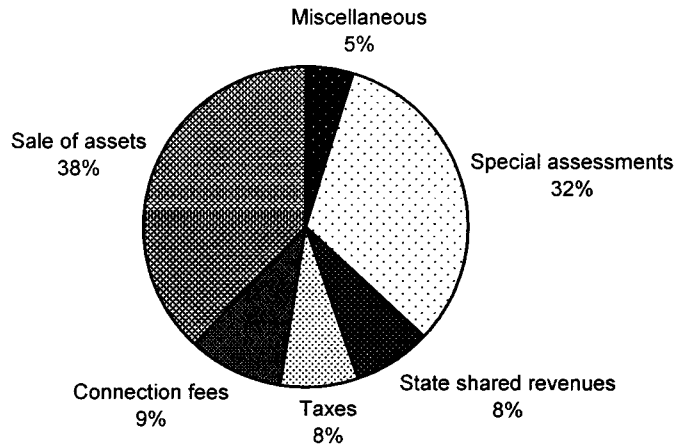
**Summary of Net Assets**

|   | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| Current and other assets                        | \$ 26,751,360                      |
| Capital assets                                  | <u>565,472</u>                     |
| Total assets                                    | <u>27,316,832</u>                  |
| Other liabilities                               | 454,808                            |
| Long-term liabilities                           | <u>17,465,676</u>                  |
| Total liabilities                               | <u>17,920,484</u>                  |
| Net assets:                                     |                                    |
| Invested in capital assets, net of related debt | 565,472                            |
| Restricted                                      | 5,066,687                          |
| Unrestricted                                    | <u>3,764,189</u>                   |
| Total net assets                                | <u>\$ 9,396,348</u>                |

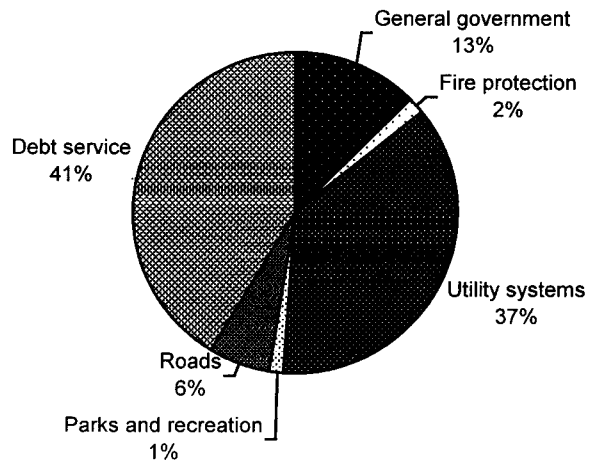
### Summary of Changes in Net Assets

|                                  | <u>Governmental<br/>Activities</u> |
|----------------------------------|------------------------------------|
| Revenues:                        |                                    |
| Program revenues                 |                                    |
| Charges for services             | \$ 185,830                         |
| Capital grants and contributions | 2,069,906                          |
| General revenues                 |                                    |
| State shared revenues            | 601,553                            |
| Property taxes                   | 604,605                            |
| Interest income                  | 91,035                             |
| Other revenues                   | 136,615                            |
| Gain on sale of capital assets   | <u>2,976,000</u>                   |
| <b>Total revenues</b>            | <u><b>6,665,544</b></u>            |
| Expenses                         |                                    |
| General government               | 610,547                            |
| Fire protection                  | 79,728                             |
| Utility systems                  | 1,727,333                          |
| Parks and recreation             | 60,340                             |
| Roads                            | 296,138                            |
| Interest on long-term debt       | <u>811,953</u>                     |
| <b>Total expenses</b>            | <u><b>3,586,039</b></u>            |
| Changes in net assets            | 3,079,505                          |
| Beginning net assets             | <u>6,316,843</u>                   |
| Ending net assets                | <u><u>\$ 9,396,348</u></u>         |

## Governmental Revenues



## Governmental Expenditures



The overall financial status for the Township improved dramatically primarily due to the sale of the land near the Township hall. The gain on the sale of the land totaled \$2,976,000.

No new debt was issued by the Township, but the Township still has several contracts and bonds outstanding for various road and utility systems projects.

#### Financial Analysis of the Township's Funds

The Township has 6 major funds for the year ended June 30, 2004. These funds include:

- General Fund
- Building Improvement Fund
- Water #1 Debt Service Fund
- M-59/Latson Water and Sewer Debt Service Fund
- Water New User Fund
- M-59/Latson Water and Sewer Construction Fund

The General Fund added \$324,540 to its fund balance due to increases in overall general revenues and reduction in expenditures. Expenditures decreased significantly due to road projects not getting completed within the fiscal year and reduced cost of fire protection.

The Building Improvement Fund increased its cash and fund balance due to the sale of the land adjacent to the Township hall for \$2,996,000.

The remaining major funds have significant activity in the current year because of the construction and financing activities related to the increased need for water and sewer system services.

#### General Fund Budgetary Highlights

The Township adopted its budget before the beginning of the fiscal year. No amendments were made during the year to change its original budget. Budget appropriations exceeded actual expenditures by \$256,409 for the year.

#### Capital Asset and Debt Administration

The Township paid \$1,125,874 of principal and \$812,347 of interest to repay various contracts and bonds payable. This debt is to finance various road and utility projects around the Township. Most debt is being repaid with amounts collected with special assessments levied.

The Township did not purchase any capital assets during the year, but did sell a parcel of land adjacent to the township hall for \$2,996,000. The Township purchased this land many years ago for \$20,000.

#### Economic Conditions and Future Activities

The Township expects large amounts of growth in the Township due to large developments currently under construction in the Township. The tax base and the need for utility services will grow significantly in the next fiscal year.

#### Contacting the Township's Financial Management

This report is designed to provide a general overview of the Township's financial position and comply with finance-related regulations. If you have any further questions about this report or request additional information please contact Oceola Township at P.O. Box 406, Howell, Michigan, 48844-0406.

BASIC  
FINANCIAL STATEMENTS



GOVERNMENT - WIDE  
FINANCIAL STATEMENTS

OCEOLA TOWNSHIP  
STATEMENT OF NET ASSETS  
JUNE 30, 2004

|   | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| ASSETS  |                                    |
| Cash and cash equivalents                         | \$ 11,589,185                      |
| Receivables                                       |                                    |
| Special assessments                               | 14,496,571                         |
| State shared revenues                             | 187,782                            |
| Accounts receivable - Development Authority       | 26,891                             |
| Accounts receivable - G/O SWATH                   | 30,000                             |
| Accounts receivable - Road millage delinquents    | 447                                |
| Intergovernmental                                 | 420,484                            |
| Capital assets                                    |                                    |
| Land  | 45,577                             |
| Buildings and improvements                        | 686,472                            |
| Machinery and equipment                           | 30,602                             |
| Less: accumulated depreciation                    | <u>(197,179)</u>                   |
| Total assets                                      | <u>27,316,832</u>                  |
| LIABILITIES                                       |                                    |
| Accounts payable                                  | 25,560                             |
| Accounts payables - intergovernmental             | 419,302                            |
| Accrued liabilities                               | 9,946                              |
| Bonds/contracts payable                           | <u>17,465,676</u>                  |
| Total liabilities                                 | <u>17,920,484</u>                  |
| NET ASSETS  |                                    |
| Investment in capital assets, net of related debt | 565,472                            |
| Restricted for:                                   |                                    |
| Debt service                                      | 1,862,888                          |
| Capital projects                                  | 3,203,799                          |
| Unrestricted                                      | <u>3,764,189</u>                   |
| Total net assets                                  | <u>\$ 9,396,348</u>                |

The notes are an integral part of the financial statements.

OCEOLA TOWNSHIP  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2004

|  |                       | <u>Program Revenues</u>     |                                |                                    |
|--|-----------------------|-----------------------------|--------------------------------|------------------------------------|
|  | <u>Expenses</u>       | <u>Charges for Services</u> | <u>Operating Contributions</u> | <u>Net Governmental Activities</u> |
| GOVERNMENTAL ACTIVITIES                    |                       |                             |                                |                                    |
| General government                         | \$ (610,547)          | \$ 99,109                   | \$                             | \$ (511,438)                       |
| Fire protection                            | (79,728)              | 36,088                      |                                | (43,640)                           |
| Utility systems                            | (1,727,333)           |                             | 2,069,906                      | 342,573                            |
| Parks and recreation                       | (60,340)              |                             |                                | (60,340)                           |
| Roads                                      | (296,138)             | 50,633                      |                                | (245,505)                          |
| Interest on long-term debt                 | (811,953)             |                             |                                | (811,953)                          |
| Total governmental activities              | <u>\$ (3,586,039)</u> | <u>\$ 185,830</u>           | <u>\$ 2,069,906</u>            | <u>(1,330,303)</u>                 |
| General Revenues:                          |                       |                             |                                |                                    |
| Property taxes, levied for general purpose |                       |                             |                                | 604,605                            |
| State shared revenues                      |                       |                             |                                | 601,553                            |
| Investment income                          |                       |                             |                                | 91,035                             |
| Other revenues                             |                       |                             |                                | 136,615                            |
| Gain on sale of capital assets             |                       |                             |                                | <u>2,976,000</u>                   |
| Total general revenues                     |                       |                             |                                | <u>4,409,808</u>                   |
| Change in net assets                       |                       |                             |                                | 3,079,505                          |
| Net assets, July 1, 2003                   |                       |                             |                                | <u>6,316,843</u>                   |
| Net assets, June 30, 2004                  |                       |                             |                                | <u>\$ 9,396,348</u>                |

The notes are an integral part of the financial statements.

FUND  
FINANCIAL STATEMENTS

OCEOLA TOWNSHIP  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2004

|                                     | General<br>Fund     | Building<br>Improvement<br>Fund | Water #1<br>Debt Service<br>Fund | M-59/Latson<br>Water and<br>Sewer<br>Debt Service<br>Fund | Water<br>New User<br>Fund |
|-------------------------------------|---------------------|---------------------------------|----------------------------------|---|---------------------------|
| <u>ASSETS</u>                       |                     |                                 |                                  |   |                           |
| ASSETS                              |                     |                                 |                                  |   |                           |
| Cash and cash equivalents           | \$ 1,289,715        | \$ 3,570,776                    | \$ 649,058                       | \$ 413,176  | \$ 509,151                |
| Receivables                         |                     |                                 |                                  |   |                           |
| Special assessments                 | 106,157             |                                 | 1,707,144                        | 8,922,253   | 652,301                   |
| State shared revenues               | 187,782             |                                 |                                  |   |                           |
| Accounts                            | 26,891              |                                 |                                  |   |                           |
| Due from other funds                | 9,353               |                                 |                                  |   | 230,131                   |
| Total assets                        | <u>\$ 1,619,898</u> | <u>\$ 3,570,776</u>             | <u>\$ 2,356,202</u>              | <u>\$ 9,335,429</u>                                       | <u>\$ 1,391,583</u>       |
| <u>LIABILITIES AND FUND BALANCE</u> |                     |                                 |                                  |   |                           |
| LIABILITIES                         |                     |                                 |                                  |   |                           |
| Accounts payable                    | \$ 25,560           | \$                              | \$                               | \$  | \$                        |
| Accrued liabilities                 | 9,946               |                                 |                                  |   |                           |
| Due to other funds                  |                     |                                 |                                  |   | 175,000                   |
| Deferred revenues                   |                     |                                 | 1,707,144                        | 8,922,253   | 652,301                   |
| Total liabilities                   | <u>35,506</u>       |                                 | <u>1,707,144</u>                 | <u>8,922,253</u>  | <u>827,301</u>            |
| FUND BALANCES                       |                     |                                 |                                  |   |                           |
| Unreserved                          | 1,584,392           | 3,570,776                       |                                  |   |                           |
| Reserved for debt service           |                     |                                 | 649,058                          | 413,176   |                           |
| Reserved for utilities system       |                     |                                 |                                  |   | 564,282                   |
| Total fund balances                 | <u>1,584,392</u>    | <u>3,570,776</u>                | <u>649,058</u>                   | <u>413,176</u>  | <u>564,282</u>            |
| Total liabilities and fund balances | <u>\$ 1,619,898</u> | <u>\$ 3,570,776</u>             | <u>\$ 2,356,202</u>              | <u>\$ 9,335,429</u>                                       | <u>\$ 1,391,583</u>       |

The notes are an integral part of the financial statements.

| <u>M-59/Latson<br/>Water and<br/>Sewer<br/>Construction<br/>Fund</u> | <u>Other<br/>Non-major<br/>Funds</u> | <u>Total</u>         |
|--|--------------------------------------|----------------------|
| \$ 498,210   | \$ 4,659,099                         | \$ 11,589,185        |
|  | 3,108,716                            | 14,496,571           |
|  |                                      | 187,782              |
|  | 30,447                               | 57,338               |
|  | <u>181,000</u>                       | <u>420,484</u>       |
| <u>\$ 498,210</u>  | <u>\$ 7,979,262</u>                  | <u>\$ 26,751,360</u> |

|                   |                     |                      |
|-------------------|---------------------|----------------------|
| \$                | \$                  | \$ 25,560            |
|                   |                     | 9,946                |
|                   | 244,302             | 419,302              |
|                   | <u>3,073,912</u>    | <u>14,355,610</u>    |
|                   | <u>3,318,214</u>    | <u>14,810,418</u>    |
|                   | 1,719,087           | 6,874,255            |
|                   | 800,654             | 1,862,888            |
| <u>498,210</u>    | <u>2,141,307</u>    | <u>3,203,799</u>     |
| <u>498,210</u>    | <u>4,661,048</u>    | <u>11,940,942</u>    |
| <u>\$ 498,210</u> | <u>\$ 7,979,262</u> | <u>\$ 26,751,360</u> |

OCEOLA TOWNSHIP  
RECONCILIATION OF STATEMENT OF NET ASSETS  
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET  
JUNE 30, 2004

Amounts reported for governmental activities in the statement of net assets are different because:

|  |                  |                     |
|--|------------------|---------------------|
| Total fund balance per balance sheet   |                  | \$ 11,940,942       |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:                            |                  |                     |
| Historical cost  | \$ 762,651       |                     |
| Depreciation   | <u>(197,179)</u> |                     |
| Capital assets net of depreciation   |                  | 565,472             |
| Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:                         |                  |                     |
| Bonds/contracts payable  |                  | (17,465,676)        |
| Deferred revenues on special assessments was recognized as revenue in the government-wide statements. Assessments are income as they are assessed. |                  | <u>14,355,610</u>   |
| Net assets of governmental activities  |                  | <u>\$ 9,396,348</u> |

The notes are an integral part of the financial statements.

OCEOLA TOWNSHIP  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2004

|  | General<br>Fund     | Building<br>Improvement<br>Fund | Water #1<br>Debt Service<br>Fund | M-59/Latson<br>Water and<br>Sewer<br>Debt Service<br>Fund | Water<br>New User<br>Fund |
|--|---------------------|---------------------------------|----------------------------------|---|---------------------------|
| <u>REVENUES</u>  |                     |                                 |                                  |   |                           |
| REVENUES   |                     |                                 |                                  |   |                           |
| Taxes  | \$ 249,297          | \$                              | \$                               | \$  | \$                        |
| Special assessments  |                     |                                 | 329,844                          | 1,012,985   | 560,000                   |
| Connection fees  |                     |                                 |                                  |   | 123,203                   |
| State shared revenues  | 599,929             |                                 |                                  |   |                           |
| Licenses and permits   | 27,777              |                                 |                                  |   |                           |
| Rental income  | 2,775               | 16,826                          |                                  |   |                           |
| Sales of assets  |                     | 2,996,000                       |                                  |   |                           |
| Charges for services   | 82,346              |                                 |                                  |   |                           |
| Interest   | 14,803              | 11,443                          | 4,300                            | 3,803   | 3,302                     |
| Miscellaneous  | 82,679              | 53,936                          |                                  |   |                           |
| Total revenues   | <u>1,059,606</u>    | <u>3,078,205</u>                | <u>334,144</u>                   | <u>1,016,788</u>  | <u>686,505</u>            |
| EXPENDITURES   |                     |                                 |                                  |   |                           |
| General government   | 573,793             | 15,304                          |                                  |   |                           |
| Fire protection  | 79,728              |                                 |                                  |   |                           |
| Utilities systems  |                     |                                 |                                  |   | 310,201                   |
| Parks and recreation   | 60,340              |                                 |                                  |   |                           |
| Roads  | 21,205              |                                 |                                  |   |                           |
| Debt service   |                     |                                 |                                  |   |                           |
| Principal  |                     |                                 | 160,741                          | 425,000   |                           |
| Interest and fees  |                     |                                 | 145,909                          | 334,123   |                           |
| Total expenditures   | <u>735,066</u>      | <u>15,304</u>                   | <u>306,650</u>                   | <u>759,123</u>  | <u>310,201</u>            |
| Excess of revenues over<br>(under) expenditures  | <u>324,540</u>      | <u>3,062,901</u>                | <u>27,494</u>                    | <u>257,665</u>  | <u>376,304</u>            |
| OTHER FINANCING SOURCES (USES)   |                     |                                 |                                  |   |                           |
| Transfers in   |                     |                                 |                                  |   | 127,842                   |
| Transfers (out)  |                     |                                 |                                  | (255,684)   |                           |
| Total other financing sources (uses)   |                     |                                 |                                  | <u>(255,684)</u>  | <u>127,842</u>            |
| Excess of revenues over<br>(under) expenditures and<br>other financing sources<br>(uses) | <u>324,540</u>      | <u>3,062,901</u>                | <u>27,494</u>                    | <u>1,981</u>  | <u>504,146</u>            |
| FUND BALANCE, JULY 1, 2003   | <u>1,259,852</u>    | <u>507,875</u>                  | <u>621,564</u>                   | <u>411,195</u>  | <u>60,136</u>             |
| FUND BALANCE, JUNE 30, 2004  | <u>\$ 1,584,392</u> | <u>\$ 3,570,776</u>             | <u>\$ 649,058</u>                | <u>\$ 413,176</u>   | <u>\$ 564,282</u>         |

The notes are an integral part of the financial statements.



| M-59/Latson<br>Water and<br>Sewer<br>Construction<br>Fund | Non-major<br>Fund   | Total                |
|---|---------------------|----------------------|
| \$  | \$ 355,308          | \$ 604,605           |
|   | 642,385             | 2,545,214            |
|   | 613,000             | 736,203              |
|   | 1,624               | 601,553              |
|   |                     | 27,777               |
|   | 5,473               | 25,074               |
|   |                     | 2,996,000            |
|   |                     | 82,346               |
| 10,339  | 43,045              | 91,035               |
|   |                     | 136,615              |
| <u>10,339</u>   | <u>1,660,835</u>    | <u>7,846,422</u>     |
|   | 1,934               | 591,031              |
|   |                     | 79,728               |
| 1,406,279   | 10,853              | 1,727,333            |
|   |                     | 60,340               |
|   | 274,933             | 296,138              |
|   | 540,133             | 1,125,874            |
|   | <u>332,315</u>      | <u>812,347</u>       |
| <u>1,406,279</u>  | <u>1,160,168</u>    | <u>4,692,791</u>     |
| <u>(1,395,940)</u>  | <u>500,667</u>      | <u>3,153,631</u>     |
|   | 127,842             | 255,684              |
|   |                     | (255,684)            |
|   | <u>127,842</u>      |                      |
| (1,395,940)   | 628,509             | 3,153,631            |
| <u>1,894,150</u>  | <u>4,032,539</u>    | <u>8,787,311</u>     |
| <u>\$ 498,210</u>   | <u>\$ 4,661,048</u> | <u>\$ 11,940,942</u> |

OCEOLA TOWNSHIP  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2004

Amounts reported for governmental activities in the Statement of Activities are different because:

|   |                     |
|---|---------------------|
| Net change in fund balances - governmental funds  | \$ 3,153,631        |
| Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense. The amount by which capital outlays exceeded depreciation is as follows: |                     |
| Capital outlay  | \$                  |
| Depreciation expense  | <u>(19,516)</u>     |
| Net   | (19,516)            |
| The Statement of Activities reports a gain or loss on the sale of capital assets based on the proceeds received and the net book value of the assets at the time of sale.   |                     |
| Book value of assets disposed   | (20,000)            |
| Repayment of bond and contracts payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets   |                     |
| Repayment of:   | 580,000             |
| Bonds payable   | <u>546,268</u>      |
| Contracts payable   |                     |
| Total   | 1,126,268           |
| Principal received on special assessments are income as they are levied annually for governmental funds, but they are income when they are levied for the Statement of Activities.  |                     |
| Principal collected on assessments  | <u>(1,160,878)</u>  |
| Change in net assets of governmental activities   | <u>\$ 3,079,505</u> |

The notes are an integral part of the financial statements.

NOTES  
TO  
FINANCIAL  
STATEMENTS

OCEOLA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Oceola Township conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

A. BASIC FINANCIAL STATEMENTS

In accordance with GASB Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental fund types are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Generally, the effect of interfund activity has been removed from the government-wide financial statements.

The government-wide Statement of Net Assets reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net assets, with the assets and liabilities shown in order of their relative liquidity. Net assets are required to be displayed in three components: 1) invested in capital assets 2) restricted, and 3)unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net assets are those with constraints place on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally, the Township would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The government-wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Township are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expense between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

OCEOLA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Also, part of the basic financial statements are fund financial statements for the governmental funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures of fund category and of the governmental funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds are combined in a single column on the fund financial statements.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Building Improvement Fund accounts for the activities related to the fund designated by the Township for future capital assets purchases and improvements..

The Water #1 Debt Service Fund accounts for the special assessments levied and related debt associated with the Township's participation in local water authorities.

The M59/Latson Water and Sewer Debt Service Fund accounts for the special assessments levied and related debt associated with the utilities system constructed for these residents.

The Water New User Fund accounts for the connection fees associated with funding the Township's participation in local water authorities.

The M-59/Latson Water and Sewer Construction Fund accounts for the activities related to the bond sale and subsequent construction costs associated with constructing water and sewer access for these residents.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The governmental fund financial statements are prepared on a modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

- A. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, licenses, fees and permits, intergovernmental revenues, charges for services and interest.
- B. Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
- C. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as another financing source.

OCEOLA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balances as a measure of available spendable resources.

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the Township's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs.

C. BUDGETARY DATA

The Township approves budgets for the general and special revenue funds. Amendments made during the fiscal year are reflected in the budget column of the appropriate financial statement. The budgets are prepared on a modified accrual basis.

For year ended June 30, 2004, expenditures exceeded appropriations in several functional activities.

D. PROPERTY TAXES

The Township property tax is levied each December 1 on the taxable valuation of property located in the township as of the preceding December 31. Taxable values are established annually by the county and are equalized by the state. Real and personal property in the Township for the 2003 levy was assessed at an adjusted taxable value of \$334,004,250. Taxes are due and payable by February 28. Delinquent real and personal property taxes are returned to the County Treasurer for collection.

The Township levies the following millage:

|                             |                      |
|-----------------------------|----------------------|
| General township operations | .7422                |
| Roads                       | <u>1.0623</u>        |
| Total millage               | <u><u>1.8045</u></u> |

OCEOLA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Michigan personal property tax assessments have been based, since the 1960's, on the use of one or more of several different multiplier tables formulated by the State Tax Commission against taxpayer reported original cost, depending on the assessor's view of the average life of the personal property. The State Tax Commission has indicated that it plans to reformulate the multipliers. The State Tax Tribunal has informally indicated that once the new multipliers are approved, it may allow them to be applied retroactively in pending personal property tax appeals.

E. CAPITAL ASSETS

Under GASB Statement No. 34, all capital assets whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Land is considered a capital asset regardless of initial cost. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

|  |                |
|--|----------------|
| Buildings, structures and improvements | 10 to 50 years |
| Machinery and equipment                | 5 to 40 years  |

Any capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

F. MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

OCEOLA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 2 - DESCRIPTION OF REPORTING ENTITY

In accordance with Governmental Accounting Standards Board (GASB) statement number 39, all funds, agencies, and activities of Oceola Township as the primary government have been included in the financial statements.

NOTE 3 - INTERFUND BALANCES

All interfund balances are short-term in character. Interfund transfers will be collected during the next reporting period. These amounts are reported as current assets in the governmental balance sheets. The amounts of interfund receivables and payables are as follows:

|                                 | <u>Interfund<br/>Receivables</u> | <u>Interfund<br/>Payables</u> |
|---------------------------------|----------------------------------|-------------------------------|
| General Fund                    | \$ 9,353                         | \$                            |
| Water New User Fund             | 230,131                          | 175,000                       |
| Thompson Lake Debt Service Fund |                                  | 73,131                        |
| Oakcrest Debt Service Fund      |                                  | 6,537                         |
| Liquor Law Enforcement Fund     |                                  | 1,634                         |
| Trust and Agency Fund           |                                  | 15                            |
| Sewer New User Fund             | 175,000                          | 163,000                       |
| Current Tax Fund                |                                  | 1,167                         |
| Sewer #2 Debt Service Fund      | <u>6,000</u>                     |                               |
| Total                           | <u>\$ 420,484</u>                | <u>\$ 420,484</u>             |

NOTE 4 - DEFINED CONTRIBUTION PENSION PLAN

The Township has adopted the Burnham & Flower Pension Plan Group No. GM-11120-3 for Michigan township employees. All elected/appointed officials and employees averaging 20 or more hours a week are eligible for participation in this single-employer plan. The Township contributes 7% of compensation, however, all employees must match the employer 7% of compensation contribution. The employee's mandatory contribution defers federal and state income tax. The employee may also voluntarily contribute up to 10% of after-tax compensation. The Township's payroll for employees covered by the plan for the year ended June 30, 2004 was \$286,796, the Township's total payroll was \$309,915.

|   |                  |
|---|------------------|
| TOTAL CURRENT YEAR EMPLOYER CONTRIBUTIONS | <u>\$ 20,187</u> |
|---|------------------|



OCEOLA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

**NOTE 5 - RECONCILIATION OF FUND FINANCIAL STATEMENTS  
TO GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Amounts reported for governmental activities in the statement of net assets are different because:

|  |                  |                     |
|--|------------------|---------------------|
| Total fund balance per balance sheet   |                  | \$11,940,942        |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:                            |                  |                     |
| Historical cost  | \$ 762,651       |                     |
| Depreciation   | <u>(197,179)</u> |                     |
| Capital assets net of depreciation   |                  | 565,472             |
| Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:                         |                  |                     |
| Bonds/contracts payable  |                  | (17,465,676)        |
| Deferred revenues on special assessments was recognized as revenue in the government-wide statements. Assessments are income as they are assessed. |                  | <u>14,355,610</u>   |
| Net assets of governmental activities  |                  | <u>\$ 9,396,348</u> |

Amounts reported for governmental activities in the Statement of Activities are different because:

|   |                 |                     |
|---|-----------------|---------------------|
| Net change in fund balances - governmental funds  |                 | \$ 3,153,631        |
| Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense. The amount by which capital outlays exceeded depreciation is as follows: |                 |                     |
| Capital outlay  | \$              |                     |
| Depreciation expense  | <u>(19,516)</u> |                     |
| Net   |                 | (19,516)            |
| The Statement of Activities reports a gain or loss on the sale of capital assets based on the proceeds received and the net book value of the assets at the time of sale.   |                 |                     |
| Book value of assets disposed   |                 | (20,000)            |
| Repayment of bond and contracts payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets   |                 |                     |
| Repayment of:   |                 |                     |
| Bonds payable   | \$ 580,000      |                     |
| Contracts payable   | <u>546,268</u>  |                     |
| Total   |                 | 1,126,268           |
| Principal received on special assessments are income as they are levied annually for governmental funds, but they are income when they are levied for the Statement of Activities.  |                 |                     |
| Principal collected on assessments  |                 | <u>(1,160,878)</u>  |
| Change in net assets of governmental activities   |                 | <u>\$ 3,079,505</u> |

OCEOLA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2004 was as follows:

|   | Balance<br>7/1/03 | Additions          | Deletions          | Balance<br>6/30/04 |
|---|-------------------|--------------------|--------------------|--------------------|
| Land  | \$ 65,577         | \$                 | \$ (20,000)        | \$ 45,577          |
| Buildings and improvements                    | 686,472           |                    |                    | 686,472            |
| Machinery and equipment                       | <u>30,602</u>     |                    |                    | <u>30,602</u>      |
| Total capital assets                          | 782,651           |                    | (20,000)           | 762,651            |
| Accumulated depreciation                      | <u>(177,663)</u>  | <u>(19,516)</u>    |                    | <u>(197,179)</u>   |
| Governmental activities<br>capital asset, net | <u>\$ 604,988</u> | <u>\$ (19,516)</u> | <u>\$ (20,000)</u> | <u>\$ 565,472</u>  |

Depreciation expense is being recorded in the government-wide statement of activities based upon the fund and activity utilizing the assets. The Township utilizes the straight line method to depreciate capital assets over their estimated useful lives. No debt is associated with these capital assets. Depreciation expense was recorded in the general government expense portion of the Statement of Activities. There is no debt related to these capital assets.

OCEOLA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 7 - LONG-TERM DEBT

The following is a summary of changes in long term debt for the year.

1. Loan payable to Livingston County, Sanitary Sewer Drain No. 1, Drainage District Refunding Bonds, Series 1998, principal payable in annual installments of \$78,644 starting May 1, 2001, interest is charged at 4.2% to 4.25%, payable semi-annually.
2. Loan payable to Livingston County, dated June 27, 1991, to finance 36.75% of the construction costs of the Genoa-Oceola Sanitary Sewer Drain - Service Area #2. Payable in annual principal installments ranging from \$124,950 graduating to \$161,700 through 2011, plus interest at 2% per annum.
3. Loan payable to Livingston County, dated October 13, 1994, to finance construction costs of the Oceola Township Water Improvement Special Assessment District. Payable in annual principal installments ranging from \$80,000 graduating to \$160,000, plus interest in semi-annual installments through 2014 ranging from 4.5% to 7.0% per annum.
4. Loan payable to Livingston County, dated August 12, 1994, to finance construction costs of the Oceola Township Sanitary Sewer Drain - Service area #1A. Payable in annual principal installments ranging from \$20,000 graduating to \$65,000 through 2014, plus interest in semi-annual installments from 7.25% decreasing to 6.5% per annum.
5. Special assessment bonds payable, dated June 1, 1996, to finance construction costs of certain water service districts (Thompson Lake district). Payable in annual principal installments ranging from \$20,000 graduating to \$30,000 through 2015, plus interest in semi-annual installments from 7% decreasing to 6% per annum.
6. Loan payable to Livingston County, dated August 15, 1996, to finance 20.8% of the construction costs of a water treatment plant and other water system improvements. Payable in annual principal installments ranging from \$27,778 graduating to \$40,109 through 2016, plus interest in semi-annual installments ranging from 8.0% decreasing to 5.25% per annum.
7. Loan payable to Livingston County, dated August 15, 1996, to finance 25% of the construction costs of a water treatment plant. Payable in annual principal installments ranging from \$22,222 to \$53,472 through 2016 plus interest in semi-annual installments ranging from 5.2% increasing to 5.375% per annum.
8. Oakcrest Special Assessment Bonds Payable for road paving, Series 1997. Payable in annual principal installments ranging from \$35,000 to \$40,000 through 2007, plus interest in semi-annual installments at 4.85% per annum.
9. Golf Club Special Assessment Bonds Payable, dated April 1, 1999, to finance construction costs of certain water service districts. Payable in annual principal installments of \$30,000 through 2019, interest is charged at 4.0% graduating to 5% in 2002. Interest payments are paid semi-annually.
10. Pineridge Special Assessment Bonds Payable, dated November 14, 2001 to finance road construction; Payable in annual installments of \$50,000 to \$70,000, through May 1, 2016; Interest is charged at 4.25% graduating to 4.75% paid semi-annually.
11. Contract payable to Genoa-Oceola SWATH - Sewer plant expansion; contract with Genoa-Oceola SWATH, (paid from new user funds); principal is payable in annual installments of \$128,696 to \$320,000; interest at 4% to 4.8%; maturity date is June 1, 2021.
12. M-59/Latson Special Assessment Bonds Payable, dated October 22, 2002 to finance water and sewer construction; Payable in annual installments of \$425,000 to \$450,000, through May 1, 2022; Interest is charged at 3.00% graduating to 5.00% paid semi-annually.

Total long-term debt

| <u>Balance<br/>7/01/03</u> | <u>Additions</u> | <u>Deletions</u>    | <u>Balance<br/>6/30/04</u> |
|----------------------------|------------------|---------------------|----------------------------|
| \$ 474,853                 | \$               | \$ 78,645           | \$ 396,208                 |
| 1,209,075                  |                  | 141,488             | 1,067,587                  |
| 1,500,000                  |                  | 120,000             | 1,380,000                  |
| 480,000                    |                  | 30,000              | 450,000                    |
| 280,000                    |                  | 20,000              | 260,000                    |
| 449,073                    |                  | 18,518              | 430,555                    |
| 532,639                    |                  | 22,222              | 510,417                    |
| 155,000                    |                  | 40,000              | 115,000                    |
| 480,000                    |                  | 30,000              | 450,000                    |
| 860,000                    |                  | 65,000              | 795,000                    |
| 3,871,304                  |                  | 135,395             | 3,735,909                  |
| <u>8,300,000</u>           |                  | <u>425,000</u>      | <u>7,875,000</u>           |
| <u>\$ 18,591,944</u>       | <u>\$</u>        | <u>\$ 1,126,268</u> | <u>\$ 17,465,676</u>       |

OCEOLA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 7 - LONG-TERM DEBT (continued)

The annual principal requirements to amortize all debt outstanding as of June 30, 2004 are as follows:

|             |                      |
|-------------|----------------------|
| 2005        | \$ 1,140,329         |
| 2006        | 1,145,961            |
| 2007        | 1,203,089            |
| 2008        | 1,188,449            |
| 2009        | 1,212,067            |
| 2009 - 2014 | 5,539,569            |
| 2014 - 2019 | 4,063,565            |
| 2019 - 2020 | <u>1,972,647</u>     |
| Total       | <u>\$ 17,465,676</u> |

NOTE 8 - DEPOSITS WITH FINANCIAL INSTITUTIONS

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit union, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal Agency obligation repurchase agreements; bankers; acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Township's deposits and investments are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's deposits and investments are as follows:

| <u>Deposits</u>                | <u>Primary<br/>Government</u> | <u>Fiduciary<br/>Funds</u> | <u>Total</u>         | <u>Bank<br/>Balance</u> |
|--------------------------------|-------------------------------|----------------------------|----------------------|-------------------------|
| Insured                        | \$ 300,000                    | \$                         | \$ 300,000           | 300,000                 |
| Uninsured and uncollateralized | <u>11,289,185</u>             | <u>89,069</u>              | <u>11,378,254</u>    | <u>11,414,609</u>       |
| Total deposits                 | <u>\$ 11,589,185</u>          | <u>\$ 89,069</u>           | <u>\$ 11,678,254</u> | <u>\$ 11,714,609</u>    |

OCEOLA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 9 - CONTINGENT LIABILITIES

The Township is involved in various legal actions arising in the normal course of business. In the opinion of management, such matters will not have a material effect upon the financial position of the Township.

NOTE 10 - IMPLEMENTATION OF GASB STATEMENT NO. 34

The Township has implemented the standards required by GASB Statement No. 34 for the year ended June 30, 2004. All required statements and disclosures have been included in the basic financial statements.

REQUIRED  
SUPPLEMENTARY  
INFORMATION

OCEOLA TOWNSHIP  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

|   | Budget Amounts |              | Actual       | Variance<br>with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------|--------------|--------------|--|
|   | Original       | Final        |              |  |
| REVENUES  |                |              |              |  |
| Property taxes                                  | \$ 244,000     | \$ 244,000   | \$ 249,297   | \$ 5,297   |
| Tax administration fees                         | 102,000        | 102,000      | 101,488      | (512)  |
| Dog licenses                                    | 800            | 800          | 702          | (98)   |
| Land use and other permits                      | 15,000         | 15,000       | 27,075       | 12,075   |
| State shared revenues                           | 590,000        | 590,000      | 559,929      | (30,071)   |
| Board of appeals fees                           | 350            | 350          | 1,325        | 975  |
| Site plan reviews                               | 2,000          | 2,000        | 15,700       | 13,700   |
| Zoning fees                                     | 1,200          | 1,200        | 5,100        | 3,900  |
| P.U.D. fees                                     | 6,000          | 6,000        | 39,155       | 33,155   |
| Copy/map charges                                | 2,200          | 2,200        | 2,971        | 771  |
| Fire run charges                                | 15,000         | 18,000       | 19,262       | 4,262  |
| Cemetery lot sales                              | 1,200          | 1,200        | 1,804        | 604  |
| Interest  | 7,600          | 7,600        | 14,803       | 7,203  |
| Hall rental fees                                | 2,200          | 2,200        | 2,775        | 575  |
| Trash day                                       | 1,600          | 1,600        | 1,975        | 375  |
| Other revenue                                   | 325            | 325          | 16,245       | 15,920   |
| Total revenues                                  | 991,475        | 991,475      | 1,059,606    | 68,131   |
| EXPENDITURES                                    | 991,475        | 991,475      | 735,066      | 256,409  |
| Excess of revenues over (under)<br>expenditures |                |              | 324,540      | 324,540  |
| FUND BALANCE, JULY 1, 2003                      | 1,259,852      | 1,259,852    | 1,259,852    |  |
| FUND BALANCE, JUNE 30, 2004                     | \$ 1,259,852   | \$ 1,259,852 | \$ 1,584,392 | \$ 324,540   |



OCEOLA TOWNSHIP  
BUILDING IMPROVEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

|                                      | Budget Amounts |            | Actual       | Variance<br>with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|----------------|------------|--------------|--|
|                                      | Original       | Final      |              |  |
| REVENUES                             |                |            |              |  |
| Sale of property                     | \$             | \$         | \$ 2,996,000 | \$   |
| Cable fees                           |                |            | 50,936       |  |
| Lease                                |                |            | 16,826       |  |
| Interest                             |                |            | 11,443       |  |
| Miscellaneous                        |                |            | 3,000        |  |
| Total revenues                       | 60,000         | 60,000     | 3,078,205    | 3,018,205  |
| EXPENDITURES                         |                |            |              |  |
| Audit fees and other                 |                |            | 15,304       | (15,304)   |
| Excess of revenues over expenditures | 60,000         | 60,000     | 3,062,901    | 3,002,901  |
| FUND BALANCE, JULY 1, 2003           | 507,875        | 507,875    | 507,875      |  |
| FUND BALANCE, JUNE 30, 2004          | \$ 567,875     | \$ 567,875 | \$ 3,570,776 | \$ 3,002,901   |

SUPPLEMENTARY  
INFORMATION

COMBINING  
FINANCIAL  
STATEMENTS

OCEOLA TOWNSHIP  
ALL SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2004

|   | <u>Road<br/>Maintenance<br/>Fund</u> | <u>Road<br/>Millage<br/>Fund</u> | <u>Liquor Law<br/>Enforcement<br/>Fund</u> |
|---|--------------------------------------|----------------------------------|--|
| <u>ASSETS</u>                           |                                      |                                  |  |
| ASSETS                                  |                                      |                                  |  |
| Cash and cash equivalents               | \$ 46,386                            | \$ 1,346,137                     | \$ 2,040                                   |
| Accounts receivable                     |                                      | <u>447</u>                       |  |
| Total assets                            | <u>\$ 46,386</u>                     | <u>\$ 1,346,584</u>              | <u>\$ 2,040</u>                            |
| <br><u>LIABILITIES AND FUND BALANCE</u> |                                      |                                  |  |
| LIABILITIES                             |                                      |                                  |  |
| Due to other funds                      | \$                                   | \$                               | \$ 1,634                                   |
| FUND BALANCE                            |                                      |                                  |  |
| Fund balance                            | <u>46,386</u>                        | <u>1,346,584</u>                 | <u>406</u>                                 |
| Total liabilities and fund balance      | <u>\$ 46,386</u>                     | <u>\$ 1,346,584</u>              | <u>\$ 2,040</u>                            |

| <u>Building<br/>Improvement<br/>Fund</u> | <u>Cemetery<br/>Perpetual<br/>Care Fund</u> | <u>Total</u>        |
|--|---|---------------------|
| \$ 3,570,776                             | \$ 6,901                                    | \$ 4,972,240        |
|  |   | <u>447</u>          |
| <u>\$ 3,570,776</u>                      | <u>\$ 6,901</u>                             | <u>\$ 4,972,687</u> |

|                     |                 |                     |
|---------------------|-----------------|---------------------|
| \$                  | \$              | \$ 1,634            |
| <u>3,570,776</u>    | <u>6,901</u>    | <u>4,971,053</u>    |
| <u>\$ 3,570,776</u> | <u>\$ 6,901</u> | <u>\$ 4,972,687</u> |

OCEOLA TOWNSHIP  
ALL DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2004

|   | <u>Sewer Debt<br/>Service #1<br/>Fund</u> | <u>Sewer Debt<br/>Service #2<br/>Fund</u> | <u>Sewer Debt<br/>Service #1A<br/>Fund</u> | <u>Water Debt<br/>Service #1<br/>Fund</u> |
|---|---|---|--|---|
| <u>ASSETS</u>                           |   |   |  |   |
| ASSETS                                  |   |   |  |   |
| Cash and cash equivalents               | \$ 88,515                                 | \$ 252,131                                | \$ 234,120                                 | \$ 649,058                                |
| Special assessment receivable           | 311,266                                   | 821,159                                   | 304,717                                    | 1,707,144                                 |
| Due from other funds                    | <u>6,000</u>                              | <u>6,000</u>                              | <u>6,000</u>                               | <u>6,000</u>                              |
| Total assets                            | <u>\$ 399,781</u>                         | <u>\$ 1,079,290</u>                       | <u>\$ 538,837</u>                          | <u>\$ 2,356,202</u>                       |
| <br><u>LIABILITIES AND FUND BALANCE</u> |   |   |  |   |
| LIABILITIES                             |   |   |  |   |
| Deferred revenue                        | \$ 311,266                                | \$ 821,159                                | \$ 304,717                                 | \$ 1,707,144                              |
| Due to other funds                      | <u>6,000</u>                              | <u>6,000</u>                              | <u>6,000</u>                               | <u>6,000</u>                              |
| Total liabilities                       | 311,266                                   | 821,159                                   | 304,717                                    | 1,707,144                                 |
| FUND BALANCE                            |   |   |  |   |
| Fund balance                            | <u>88,515</u>                             | <u>258,131</u>                            | <u>234,120</u>                             | <u>649,058</u>                            |
| Total liabilities and fund<br>balance   | <u>\$ 399,781</u>                         | <u>\$ 1,079,290</u>                       | <u>\$ 538,837</u>                          | <u>\$ 2,356,202</u>                       |

| <u>Thompson<br/>Lake Debt<br/>Service Fund</u> | <u>Oakcrest<br/>Debt Service<br/>Fund</u> | <u>Golf Club<br/>Debt Service<br/>Fund</u> | <u>Pineridge<br/>Road Debt<br/>Service<br/>Fund</u> | <u>M-59/Latson<br/>Water and<br/>Sewer<br/>Debt Service<br/>Fund</u> | <u>Total</u>                        |
|--|---|--|---|--|-------------------------------------|
| \$ 115,430<br>232,650                          | \$ 49,728<br>136,279                      | \$ 66,135<br>451,302                       | \$ 33,459<br>780,000                                | \$ 413,176<br>8,922,253  | \$ 1,901,752<br>13,666,770<br>6,000 |
| <u>\$ 348,080</u>                              | <u>\$ 186,007</u>                         | <u>\$ 517,437</u>                          | <u>\$ 813,459</u>                                   | <u>\$ 9,335,429</u>  | <u>\$ 15,574,522</u>                |
| <br>   |   |  |   |  |                                     |
| \$ 232,650<br>73,131                           | \$ 101,475<br>6,537                       | \$ 451,302                                 | \$ 780,000  | \$ 8,922,253   | \$ 13,631,966<br>79,668             |
| 305,781  | 108,012                                   | 451,302                                    | 780,000   | 8,922,253  | 13,711,634                          |
| <u>42,299</u>                                  | <u>77,995</u>                             | <u>66,135</u>                              | <u>33,459</u>                                       | <u>413,176</u>   | <u>1,862,888</u>                    |
| <u>\$ 348,080</u>                              | <u>\$ 186,007</u>                         | <u>\$ 517,437</u>                          | <u>\$ 813,459</u>                                   | <u>\$ 9,335,429</u>  | <u>\$ 15,574,522</u>                |

OCEOLA TOWNSHIP  
ALL CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2004

|                                       | <u>Eager<br/>Road<br/>Construction</u> | <u>Pineridge<br/>Road<br/>Construction</u> | <u>Sewer New<br/>User<br/>Fund</u> | <u>Water New<br/>User<br/>Fund</u> |
|---------------------------------------|--|--|------------------------------------|------------------------------------|
| <u>ASSETS</u>                         |  |  |                                    |                                    |
| ASSETS                                |  |  |                                    |                                    |
| Cash and cash equivalents             | \$ 277,581                             | \$ 41,229                                  | \$ 2,099,307                       | \$ 509,151                         |
| Contracts receivable - residents      |  |  | 71,343                             | 652,301                            |
| Due from G/O SWATH                    |  |  | 30,000                             |                                    |
| Due from other funds                  |  |  | 175,000                            | 230,131                            |
| Total assets                          | <u>\$ 277,581</u>                      | <u>\$ 41,229</u>                           | <u>\$ 2,375,650</u>                | <u>\$ 1,391,583</u>                |
| <u>LIABILITIES AND FUND BALANCE</u>   |  |  |                                    |                                    |
| LIABILITIES                           |  |  |                                    |                                    |
| Due to other funds                    | \$                                     | \$   | \$ 163,000                         | \$ 175,000                         |
| Deferred revenue                      |  |  | 71,343                             | 652,301                            |
| Total liabilities                     |  |  | 234,343                            | 827,301                            |
| FUND BALANCE                          |  |  |                                    |                                    |
| Fund balance                          | <u>277,581</u>                         | <u>41,229</u>                              | <u>2,141,307</u>                   | <u>564,282</u>                     |
| Total liabilities and<br>fund balance | <u>\$ 277,581</u>                      | <u>\$ 41,229</u>                           | <u>\$ 2,375,650</u>                | <u>\$ 1,391,583</u>                |



M-59/Latson  
Water and  
Sewer  
Construction  
Fund

Total

|            |                |
|------------|----------------|
| \$ 498,210 | \$ 3,425,478   |
|            | 723,644        |
|            | 30,000         |
|            | <u>405,131</u> |

|                   |                     |
|-------------------|---------------------|
| <u>\$ 498,210</u> | <u>\$ 4,584,253</u> |
|-------------------|---------------------|

|    |                |
|----|----------------|
| \$ | \$ 338,000     |
|    | <u>723,644</u> |

1,061,644

|                |                  |
|----------------|------------------|
| <u>498,210</u> | <u>3,522,609</u> |
|----------------|------------------|

|                   |                     |
|-------------------|---------------------|
| <u>\$ 498,210</u> | <u>\$ 4,584,253</u> |
|-------------------|---------------------|

OCEOLA TOWNSHIP  
ALL FIDUCIARY FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2004

|   | <u>AGENCY FUNDS</u>                  |                             |                  |
|---|--------------------------------------|-----------------------------|------------------|
|   | <u>Trust and<br/>Agency<br/>Fund</u> | <u>Current Tax<br/>Fund</u> | <u>Total</u>     |
| <u>ASSETS</u>                           |                                      |                             |                  |
| ASSETS                                  |                                      |                             |                  |
| Cash and cash equivalents               | \$ 87,902                            | \$ 1,167                    | \$ 89,069        |
| Due from others                         | <u>601</u>                           |                             | <u>601</u>       |
| Total                                   | <u>\$ 88,503</u>                     | <u>\$ 1,167</u>             | <u>\$ 89,670</u> |
| <br><u>LIABILITIES AND FUND BALANCE</u> |                                      |                             |                  |
| LIABILITIES                             |                                      |                             |                  |
| Due to other funds                      | \$ 15                                | \$                          | \$ 1,182         |
| Due to others                           | <u>88,488</u>                        | <u>1,167</u>                | <u>88,488</u>    |
| Total liabilities                       | <u>\$ 88,503</u>                     | <u>\$ 1,167</u>             | <u>\$ 89,670</u> |

OCEOLA TOWNSHIP  
ALL SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2004

|   | <u>Road<br/>Maintenance<br/>Fund</u> | <u>Road<br/>Millage<br/>Fund</u> | <u>Liquor Law<br/>Enforcement<br/>Fund</u> |
|---|--------------------------------------|----------------------------------|--|
| REVENUES  |                                      |                                  |  |
| Sale of property                                | \$                                   | \$                               | \$   |
| Franchise and lease fees                        |                                      |                                  |  |
| Taxes and assessments                           | 50,633                               | 355,308                          |  |
| State shared revenue                            |                                      |                                  | 1,624                                      |
| Miscellaneous                                   |                                      |                                  |  |
| Interest  | <u>190</u>                           | <u>14,918</u>                    | <u>17</u>                                  |
| Total revenues                                  | <u>50,823</u>                        | <u>370,226</u>                   | <u>1,641</u>                               |
| EXPENDITURES                                    |                                      |                                  |  |
| Maintenance and construction                    | 33,986                               | 240,094                          |  |
| Public safety                                   |                                      |                                  | 1,634                                      |
| Miscellaneous fees                              | <u></u>                              | <u>603</u>                       | <u>300</u>                                 |
| Total expenditures                              | <u>33,986</u>                        | <u>240,697</u>                   | <u>1,934</u>                               |
| Excess of revenues over (under)<br>expenditures | 16,837                               | 129,529                          | (293)                                      |
| FUND BALANCE, JULY 1, 2003                      | <u>29,549</u>                        | <u>1,217,055</u>                 | <u>699</u>                                 |
| FUND BALANCE, JUNE 30, 2004                     | <u>\$ 46,386</u>                     | <u>\$ 1,346,584</u>              | <u>\$ 406</u>                              |

| <u>Building<br/>Improvement<br/>Fund</u> | <u>Cemetery<br/>Perpetual<br/>Care<br/>Fund</u> | <u>Total</u>        |
|--|---|---------------------|
| \$ 2,996,000                             | \$  | \$ 2,996,000        |
| 67,762                                   |   | 67,762              |
|  |   | 405,941             |
|  |   | 1,624               |
| 3,000                                    |   | 3,000               |
| <u>11,443</u>                            | <u>49</u>                                       | <u>26,617</u>       |
| <u>3,078,205</u>                         | <u>49</u>                                       | <u>3,500,944</u>    |
|  |   | 274,080             |
|  |   | 1,634               |
| <u>15,304</u>                            |   | <u>16,207</u>       |
| <u>15,304</u>                            |   | <u>291,921</u>      |
| 3,062,901                                | 49  | 3,209,023           |
| <u>507,875</u>                           | <u>6,852</u>                                    | <u>1,762,030</u>    |
| <u>\$ 3,570,776</u>                      | <u>\$ 6,901</u>                                 | <u>\$ 4,971,053</u> |

OCEOLA TOWNSHIP  
ALL DEBT SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2004

|   | Sewer Debt<br>Service #1<br>Fund | Sewer Debt<br>Service #2<br>Fund | Sewer Debt<br>Service #1A<br>Fund | Water Debt<br>Service #1<br>Fund |
|---|----------------------------------|----------------------------------|-----------------------------------|----------------------------------|
| REVENUES  |                                  |                                  |                                   |                                  |
| Special assessments   | \$ 72,575                        | \$ 130,791                       | \$ 37,897                         | \$ 213,934                       |
| Interest  | <u>30,151</u>                    | <u>20,714</u>                    | <u>26,789</u>                     | <u>120,210</u>                   |
| Total revenues  | <u>102,726</u>                   | <u>151,505</u>                   | <u>64,686</u>                     | <u>334,144</u>                   |
| EXPENDITURES  |                                  |                                  |                                   |                                  |
| Debt service  |                                  |                                  |                                   |                                  |
| Principal   | 78,645                           | 141,488                          | 30,000                            | 160,741                          |
| Interest  | 20,142                           | 24,181                           | 28,863                            | 145,104                          |
| Agent fees  | 60                               |                                  |                                   | 805                              |
| Miscellaneous   | <u>250</u>                       | <u>250</u>                       | <u>650</u>                        |                                  |
| Total expenditures  | <u>99,097</u>                    | <u>165,919</u>                   | <u>59,513</u>                     | <u>306,650</u>                   |
| Excess of revenues over<br>(under) expenditures                               | 3,629                            | (14,414)                         | 5,173                             | 27,494                           |
| OTHER FINANCING (USES)  |                                  |                                  |                                   |                                  |
| Operating transfer (out)  |                                  |                                  |                                   |                                  |
| Excess of revenues<br>over (under) expenditures<br>and other financing (uses) | 3,629                            | (14,414)                         | 5,173                             | 27,494                           |
| FUND BALANCE, JULY 1, 2003  | <u>84,886</u>                    | <u>272,545</u>                   | <u>228,947</u>                    | <u>621,564</u>                   |
| FUND BALANCE, JUNE 30, 2004   | <u>\$ 88,515</u>                 | <u>\$ 258,131</u>                | <u>\$ 234,120</u>                 | <u>\$ 649,058</u>                |

| Thompson<br>Lake Debt<br>Service Fund | Oakcrest<br>Debt Service<br>Fund | Golf Club<br>Debt Service<br>Fund | Pineridge<br>Road Debt<br>Service<br>Fund | M-59/Latson<br>Water and<br>Sewer<br>Debt Service<br>Fund | Total                                |
|---------------------------------------|----------------------------------|-----------------------------------|---|---|--------------------------------------|
| \$ 21,150<br><u>16,056</u>            | \$ 48,409<br><u>9,656</u>        | \$ 36,259<br><u>24,761</u>        | \$ 65,000<br><u>42,624</u>                | \$ 495,347<br><u>521,441</u>                              | \$ 1,121,362<br><u>812,402</u>       |
| <u>37,206</u>                         | <u>58,065</u>                    | <u>61,020</u>                     | <u>107,624</u>                            | <u>1,016,788</u>  | <u>1,933,764</u>                     |
| 20,000<br>16,022                      | 40,000<br>7,518                  | 30,000<br>24,000                  | 65,000<br>37,975<br>525                   | 425,000<br>333,550  | 990,874<br>637,355<br>1,390<br>3,408 |
| <u>175</u>                            | <u>986</u>                       | <u>524</u>                        |   | <u>573</u>  | <u>3,408</u>                         |
| <u>36,197</u>                         | <u>48,504</u>                    | <u>54,524</u>                     | <u>103,500</u>                            | <u>759,123</u>  | <u>1,633,027</u>                     |
| 1,009                                 | 9,561                            | 6,496                             | 4,124                                     | 257,665   | 300,737                              |
|                                       |                                  |                                   |   | <u>(255,684)</u>  | <u>(255,684)</u>                     |
| 1,009                                 | 9,561                            | 6,496                             | 4,124                                     | 1,981   | 45,053                               |
| <u>41,290</u>                         | <u>68,434</u>                    | <u>59,639</u>                     | <u>29,335</u>                             | <u>411,195</u>  | <u>1,817,835</u>                     |
| <u>\$ 42,299</u>                      | <u>\$ 77,995</u>                 | <u>\$ 66,135</u>                  | <u>\$ 33,459</u>                          | <u>\$ 413,176</u>   | <u>\$ 1,862,888</u>                  |

OCEOLA TOWNSHIP  
ALL CAPITAL PROJECT FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2004

|  | <u>Eager<br/>Road<br/>Construction</u> | <u>Pineridge<br/>Road<br/>Construction<br/>Fund</u> | <u>Sewer New<br/>User<br/>Fund</u> | <u>Water New<br/>User<br/>Fund</u> |
|--|--|---|------------------------------------|------------------------------------|
| REVENUES   |  |   |                                    |                                    |
| Special assessments  | \$                                     | \$  | \$ 14,769                          | \$ 79,882                          |
| Connection fees  |  |   | 613,000                            | 560,000                            |
| Interest   |  |   | 17,739                             | 46,623                             |
| Rent   | <u>4,009</u>                           | <u>274</u>  | <u>5,473</u>                       |                                    |
| Total revenues   | <u>4,009</u>                           | <u>274</u>  | <u>650,981</u>                     | <u>686,505</u>                     |
| EXPENDITURES   |  |   |                                    |                                    |
| Debt service   |  |   | 305,194                            |                                    |
| Construction   |  |   | 5,928                              | 305,526                            |
| Consultants and engineering  |  |   |                                    |                                    |
| Audit fees   |  | 250   | 4,675                              | 4,675                              |
| Miscellaneous  |  |   | <u>250</u>                         |                                    |
| Total expenditures   |  | <u>250</u>  | <u>316,047</u>                     | <u>310,201</u>                     |
| Excess (deficiency) of revenues<br>over (under) expenditures before<br>other financing sources | 4,009                                  | 24  | 334,934                            | 376,304                            |
| OTHER FINANCING SOURCES  |  |   |                                    |                                    |
| Operating transfer   |  |   | <u>127,842</u>                     | <u>127,842</u>                     |
| Excess (deficiency) of revenues<br>over (under) expenditures and<br>other financing sources    | 4,009                                  | 24  | 462,776                            | 504,146                            |
| FUND BALANCE, JULY 1, 2003   | <u>273,572</u>                         | <u>41,205</u>                                       | <u>1,678,531</u>                   | <u>60,136</u>                      |
| FUND BALANCE, JUNE 30, 2004  | <u>\$ 277,581</u>                      | <u>\$ 41,229</u>                                    | <u>\$ 2,141,307</u>                | <u>\$ 564,282</u>                  |

| M-59/Latson<br>Water and<br>Sewer<br>Construction<br>Fund | Total               |
|---|---------------------|
| \$  | \$ 94,651           |
|   | 1,173,000           |
|   | 78,984              |
| <u>10,339</u>   | <u>5,473</u>        |
| <u>10,339</u>   | <u>1,352,108</u>    |
|   | 305,194             |
| 1,404,003   | 1,715,457           |
| 2,276   | 2,276               |
|   | 9,600               |
|   | <u>250</u>          |
| <u>1,406,279</u>  | <u>2,032,777</u>    |
| (1,395,940)   | (680,669)           |
|   | <u>255,684</u>      |
| (1,395,940)   | (424,985)           |
| <u>1,894,150</u>  | <u>3,947,594</u>    |
| <u>\$ 498,210</u>   | <u>\$ 3,522,609</u> |



INDIVIDUAL  
FUNDS

GENERAL  
FUND

OCEOLA TOWNSHIP  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

|                            |               |
|----------------------------|---------------|
| Cash and cash equivalents  | \$ 1,034,960  |
| Due from State of Michigan | 187,782       |
| Due from other funds       | 9,353         |
| Due from others            | <u>26,891</u> |

|                           |              |
|---------------------------|--------------|
| Total unrestricted assets | \$ 1,258,986 |
|---------------------------|--------------|

RESTRICTED ASSETS

|                                      |                |
|--------------------------------------|----------------|
| Cash and cash equivalents - John Doe | 254,755        |
| Special assessments receivable       | <u>106,157</u> |

|                         |                |
|-------------------------|----------------|
| Total restricted assets | <u>360,912</u> |
|-------------------------|----------------|

|              |                     |
|--------------|---------------------|
| Total assets | <u>\$ 1,619,898</u> |
|--------------|---------------------|

LIABILITIES AND FUND BALANCE

LIABILITIES

|                     |              |
|---------------------|--------------|
| Accounts payable    | \$ 25,560    |
| Accrued liabilities | <u>9,946</u> |

|                   |           |
|-------------------|-----------|
| Total liabilities | \$ 35,506 |
|-------------------|-----------|

FUND BALANCE

|                           |                  |
|---------------------------|------------------|
| Fund balance - reserved   | 360,912          |
| Fund balance - unreserved | <u>1,223,480</u> |

|                    |                  |
|--------------------|------------------|
| Total fund balance | <u>1,584,392</u> |
|--------------------|------------------|

|                                    |                     |
|------------------------------------|---------------------|
| Total liabilities and fund balance | <u>\$ 1,619,898</u> |
|------------------------------------|---------------------|

OCEOLA TOWNSHIP  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

|                                      | <u>Budget</u>       | <u>Actual</u>       | Variance<br>Favorable<br>(Unfavorable) |
|--------------------------------------|---------------------|---------------------|--|
| REVENUES                             |                     |                     |  |
| Property taxes                       | \$ 244,000          | \$ 249,297          | \$ 5,297                               |
| Tax administration fees              | 102,000             | 101,488             | (512)                                  |
| Dog licenses                         | 800                 | 702                 | (98)                                   |
| Land use and other permits           | 15,000              | 27,075              | 12,075                                 |
| State shared revenues                | 590,000             | 559,929             | (30,071)                               |
| Board of appeals fees                | 350                 | 1,325               | 975                                    |
| Site plan reviews                    | 2,000               | 15,700              | 13,700                                 |
| Zoning fees                          | 1,200               | 5,100               | 3,900                                  |
| P.U.D. fees                          | 6,000               | 39,155              | 33,155                                 |
| Copy/map charges                     | 2,200               | 2,971               | 771                                    |
| Fire run charges                     | 15,000              | 19,262              | 4,262                                  |
| Cemetery lot sales                   | 1,200               | 1,804               | 604                                    |
| Interest                             | 7,600               | 14,803              | 7,203                                  |
| Hall rental fees                     | 2,200               | 2,775               | 575                                    |
| Trash day                            | 1,600               | 1,975               | 375                                    |
| Other revenue                        | <u>325</u>          | <u>16,245</u>       | <u>15,920</u>                          |
| Total revenues                       | 991,475             | 1,059,606           | 68,131                                 |
| EXPENDITURES                         | <u>991,475</u>      | <u>735,066</u>      | <u>256,409</u>                         |
| Excess of revenues over expenditures |                     | 324,540             | 324,540                                |
| FUND BALANCE, JULY 1, 2003           | <u>1,259,852</u>    | <u>1,259,852</u>    |  |
| FUND BALANCE, JUNE 30, 2004          | <u>\$ 1,259,852</u> | <u>\$ 1,584,392</u> | <u>\$ 324,540</u>                      |

OCEOLA TOWNSHIP  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

|                          | <u>Budget</u> | <u>Actual</u> | Variance<br>Favorable<br>(Unfavorable) |
|--------------------------|---------------|---------------|--|
| <b>BOARD OF TRUSTEES</b> |               |               |  |
| Salaries                 | \$            | \$ 14,195     | \$                                     |
| Fringe benefits          |               | 7,154         |  |
| Mileage                  |               | 83            |  |
| Total board of trustees  | <u>22,750</u> | <u>21,432</u> | <u>1,318</u>                           |
| <b>SUPERVISOR</b>        |               |               |  |
| Salary                   |               | 30,500        |  |
| Fringe benefits          |               | 7,150         |  |
| Administrative           |               | 839           |  |
| Total supervisor         | <u>39,000</u> | <u>38,489</u> | <u>511</u>                             |
| <b>ELECTION</b>          |               |               |  |
| Salaries                 |               | 2,594         |  |
| Supplies                 |               | 597           |  |
| Printing and publishing  |               | 563           |  |
| Total election           | <u>6,000</u>  | <u>3,754</u>  | <u>2,246</u>                           |
| <b>ASSESSOR</b>          |               |               |  |
| Contract services        |               | 35,358        |  |
| Assessor - fringe        |               | 6,856         |  |
| Assessor clerk salary    |               | 15,701        |  |
| Supplies                 |               | 29            |  |
| Tax roll                 |               | 3,740         |  |
| Mileage                  |               | 506           |  |
| Administrative           |               | 4,064         |  |
| Total assessor           | <u>67,500</u> | <u>66,254</u> | <u>1,246</u>                           |
| <b>CLERK</b>             |               |               |  |
| Salary                   |               | 30,500        |  |
| Fringe benefits          |               | 7,150         |  |
| Deputy salary            |               | 19,562        |  |
| Deputy fringe            |               | 4,311         |  |
| Recording secretary      |               | 3,507         |  |
| Mileage                  |               | 734           |  |
| Administrative           |               | 8             |  |
| Total clerk              | <u>66,700</u> | <u>65,772</u> | <u>928</u>                             |

OCEOLA TOWNSHIP  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
(continued)  
FOR THE YEAR ENDED JUNE 30, 2004

|                            | <u>Budget</u> | <u>Actual</u> | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|----------------------------|---------------|---------------|---|
| BOARD OF REVIEW            |               |               |   |
| Salaries                   |               | 1,200         |   |
| Supplies                   |               | 40            |   |
| Publishing                 |               | 466           |   |
| Total board of review      | <u>2,100</u>  | <u>1,706</u>  | <u>394</u>                                      |
| TREASURER                  |               |               |   |
| Salary                     |               | 30,500        |   |
| Fringe benefits            |               | 7,150         |   |
| Deputy/assistant salaries  |               | 31,458        |   |
| Deputy fringe              |               | 4,770         |   |
| Mileage                    |               | 477           |   |
| Administrative             |               | 762           |   |
| Total treasurer            | <u>76,350</u> | <u>75,117</u> | <u>1,233</u>                                    |
| BUILDING AND GROUNDS       |               |               |   |
| Salary - maintenance       |               | 4,165         |   |
| Receptionist               |               | 13,070        |   |
| Supplies                   |               | 23,617        |   |
| Telephone                  |               | 4,498         |   |
| Electricity                |               | 5,077         |   |
| Heat                       |               | 3,435         |   |
| Maintenance - hall         |               | 6,297         |   |
| Rubbish disposal           |               | 782           |   |
| Tax chargebacks            |               | 1,007         |   |
| Grounds maintenance        |               | 4,052         |   |
| Equipment maintenance      |               | 3,393         |   |
| Total building and grounds | <u>68,200</u> | <u>69,393</u> | <u>(1,193)</u>                                  |

OCEOLA TOWNSHIP  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
(continued)  
FOR THE YEAR ENDED JUNE 30, 2004

|                             | <u>Budget</u>  | <u>Actual</u>  | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|-----------------------------|----------------|----------------|---|
| GENERAL (UNALLOCATED)       |                |                |   |
| Cemetery wages              |                | 493            |   |
| Payroll taxes               |                | 21,827         |   |
| Pension                     |                | 22,265         |   |
| Attorney fees               |                | 22,998         |   |
| Audit fees                  |                | 5,200          |   |
| Dues and subscriptions      |                | 5,252          |   |
| Administrative expenses     |                | 9,046          |   |
| Printing and publishing     |                | 8,310          |   |
| Insurance and bonds         |                | 20,131         |   |
| Cemetery maintenance        |                | 18,026         |   |
| Office machine maintenance  |                | 4,199          |   |
| Miscellaneous               |                | 219            |   |
| Lease - vehicle             |                | 3,013          |   |
| Capital outlay              |                | 3,705          |   |
|                             | <u>169,550</u> | <u>144,684</u> | <u>24,866</u>                                   |
| Total general (unallocated) |                |                |   |
| FIRE PROTECTION             | <u>160,000</u> | <u>79,728</u>  | <u>80,272</u>                                   |
| PLANNING AND ZONING         |                |                |   |
| Planning salaries           |                | 5,525          |   |
| P.U.D. commissions          |                | 3,219          |   |
| Planning clerical salaries  |                | 4,828          |   |
| Planning supplies           |                | 235            |   |
| Planning consultants        |                | 50,848         |   |
| Planning mileage            |                | 139            |   |
| Planning printing           |                | 5,704          |   |
| Zoning salaries             |                | 11,742         |   |
| Fringe benefits             |                | 3,577          |   |
| Board of appeals salaries   |                | 1,375          |   |
|                             | <u>89,200</u>  | <u>87,192</u>  | <u>2,008</u>                                    |
| Total planning and zoning   |                |                |   |

OCEOLA TOWNSHIP  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
(continued)  
FOR THE YEAR ENDED JUNE 30, 2004

|                    | <u>Budget</u>     | <u>Actual</u>     | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|--------------------|-------------------|-------------------|---|
| PUBLIC WORKS       |                   |                   |   |
| Trash clean up     |                   | 5,150             |   |
| Drains             |                   | 2,417             |   |
| Street lights      |                   | 3,830             |   |
| Water study        |                   | 9,631             |   |
| Library            |                   | 177               |   |
| Total public works | <u>158,375</u>    | <u>21,205</u>     | <u>137,170</u>                                  |
| RECREATION         |                   |                   |   |
| Salaries           |                   | 825               |   |
| Contribution       |                   | 59,515            |   |
| Total recreation   | <u>65,750</u>     | <u>60,340</u>     | <u>5,410</u>                                    |
| Total expenditures | <u>\$ 991,475</u> | <u>\$ 735,066</u> | <u>\$ 256,409</u>                               |



ROAD  
MAINTENANCE  
FUND

OCEOLA TOWNSHIP  
ROAD MAINTENANCE FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 46,386

FUND BALANCE

FUND BALANCE

\$ 46,386

OCEOLA TOWNSHIP  
ROAD MAINTENANCE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

|   | <u>Budget</u>    | <u>Actual</u>    | Variance<br>Favorable<br>(Unfavorable) |
|---|------------------|------------------|--|
| REVENUES  |                  |                  |  |
| Assessments - various roads                     | \$               | \$ 50,633        | \$                                     |
| Interest  |                  | 190              |  |
| Total revenues                                  | 50,000           | 50,823           | 823                                    |
| EXPENDITURES                                    |                  |                  |  |
| Maintenance - various roads                     | <u>33,000</u>    | <u>33,986</u>    | <u>(986)</u>                           |
| Excess of revenues over<br>(under) expenditures | 17,000           | 16,837           | (163)                                  |
| FUND BALANCE, JULY 1, 2003                      | <u>29,549</u>    | <u>29,549</u>    |  |
| FUND BALANCE, JUNE 30, 2004                     | <u>\$ 46,549</u> | <u>\$ 46,386</u> | <u>\$ (163)</u>                        |

ROAD  
MILLAGE  
FUND

OCEOLA TOWNSHIP  
ROAD MILLAGE FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents  
Taxes receivable

\$ 1,346,137  
447

Total assets

\$ 1,346,584

FUND BALANCE

FUND BALANCE

\$ 1,346,584

OCEOLA TOWNSHIP  
ROAD MILLAGE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

|                                      | <u>Budget</u>       | <u>Actual</u>       | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|--------------------------------------|---------------------|---------------------|---|
| REVENUES                             |                     |                     |   |
| Tax collections                      | \$                  | \$ 355,308          | \$  |
| Interest                             |                     | 14,918              |   |
| Total revenues                       | <u>360,000</u>      | <u>370,226</u>      | <u>10,226</u>                                   |
| EXPENDITURES                         |                     |                     |   |
| Road maintenance                     |                     | 163,720             |   |
| Dust control                         |                     | 76,374              |   |
| Audit fees                           |                     | 500                 |   |
| Miscellaneous                        |                     | 103                 |   |
| Total expenditures                   | <u>300,000</u>      | <u>240,697</u>      | <u>59,303</u>                                   |
| Excess of revenues over expenditures | 60,000              | 129,529             | 69,529  |
| FUND BALANCE, JULY 1, 2003           | <u>1,217,055</u>    | <u>1,217,055</u>    |   |
| FUND BALANCE, JUNE 30, 2004          | <u>\$ 1,277,055</u> | <u>\$ 1,346,584</u> | <u>\$ 69,529</u>                                |

LIQUOR LAW  
ENFORCEMENT  
FUND

OCEOLA TOWNSHIP  
LIQUOR LAW ENFORCEMENT FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 2,040

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to general fund

\$ 1,634

FUND BALANCE

406

Total liabilities and fund balance

\$ 2,040



OCEOLA TOWNSHIP  
LIQUOR LAW ENFORCEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

|   | <u>Budget</u> | <u>Actual</u> | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|---------------|---------------|---|
| REVENUES  |               |               |   |
| State shared revenue                            | \$            | \$ 1,624      | \$  |
| Interest  |               | 17            |   |
| Total revenues                                  | <u>1,500</u>  | <u>1,641</u>  | <u>141</u>                                      |
| EXPENDITURES                                    |               |               |   |
| Inspection salary                               |               | 1,480         |   |
| Payroll taxes                                   |               | 113           |   |
| Audit fees                                      |               | 300           |   |
| Supplies  |               | 41            |   |
| Total expenditures                              | <u>2,000</u>  | <u>1,934</u>  | <u>66</u>                                       |
| Excess of revenues over<br>(under) expenditures | (500)         | (293)         | 207   |
| FUND BALANCE, JULY 1, 2003                      | <u>699</u>    | <u>699</u>    |   |
| FUND BALANCE, JUNE 30, 2004                     | <u>\$ 199</u> | <u>\$ 406</u> | <u>\$ 207</u>                                   |

BUILDING IMPROVEMENT  
FUND

OCEOLA TOWNSHIP  
BUILDING IMPROVEMENT FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 3,570,776

FUND BALANCE

FUND BALANCE

\$ 3,570,776

OCEOLA TOWNSHIP  
BUILDING IMPROVEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

|                                      | <u>Budget</u>     | <u>Actual</u>       | Variance<br>Favorable<br>(Unfavorable) |
|--------------------------------------|-------------------|---------------------|--|
| REVENUES                             |                   |                     |  |
| Sale of property                     | \$                | \$ 2,996,000        | \$                                     |
| Cable fees                           |                   | 50,936              |  |
| Lease                                |                   | 16,826              |  |
| Interest                             |                   | 11,443              |  |
| Miscellaneous                        |                   | <u>3,000</u>        |  |
| Total revenues                       | 60,000            | 3,078,205           | 3,018,205                              |
| EXPENDITURES                         |                   |                     |  |
| Audit fees and other                 |                   | <u>15,304</u>       | <u>(15,304)</u>                        |
| Excess of revenues over expenditures | 60,000            | 3,062,901           | 3,002,901                              |
| FUND BALANCE, JULY 1, 2003           | <u>507,875</u>    | <u>507,875</u>      |  |
| FUND BALANCE, JUNE 30, 2004          | <u>\$ 567,875</u> | <u>\$ 3,570,776</u> | <u>\$ 3,002,901</u>                    |

CEMETERY PERPETUAL  
CARE  
FUND

OCEOLA TOWNSHIP  
CEMETERY PERPETUAL CARE FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 6,901

FUND BALANCE

FUND BALANCE

Reserved

\$ 1,750

Unreserved

5,151

Total fund balance

\$ 6,901

OCEOLA TOWNSHIP  
CEMETERY PERPETUAL CARE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2004

|                                      |                   |
|--------------------------------------|-------------------|
| REVENUE                              |                   |
| Interest income                      | \$ 49             |
| EXPENDITURES                         | <u>          </u> |
| Excess of revenues over expenditures | 49                |
| FUND BALANCE, JULY 1, 2003           | <u>6,852</u>      |
| FUND BALANCE, JUNE 30, 2004          | <u>\$ 6,901</u>   |

SEWER DEBT SERVICE

#1 FUND



OCEOLA TOWNSHIP  
SEWER DEBT SERVICE #1 FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents  
Special assessments receivable

\$ 88,515  
311,266

Total assets

\$ 399,781

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue

\$ 311,266

FUND BALANCE

88,515

Total liabilities and fund balance

\$ 399,781

OCEOLA TOWNSHIP  
SEWER DEBT SERVICE #1 FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

|                                      | <u>Budget</u>    | <u>Actual</u>    | Variance<br>Favorable<br>(Unfavorable) |
|--------------------------------------|------------------|------------------|--|
| REVENUES                             |                  |                  |  |
| Special assessments - principal      | \$               | \$ 72,575        | \$                                     |
| Special assessments - interest       |                  | 29,688           |  |
| Interest                             |                  | <u>463</u>       |  |
| Total revenues                       | <u>100,000</u>   | <u>102,726</u>   | <u>2,726</u>                           |
| EXPENDITURES                         |                  |                  |  |
| Debt service                         |                  |                  |  |
| Principal                            |                  | 78,645           |  |
| Interest                             |                  | 20,142           |  |
| Agent fees                           |                  | 60               |  |
| Audit fees                           |                  | <u>250</u>       |  |
| Total expenditures                   | <u>100,000</u>   | <u>99,097</u>    | <u>903</u>                             |
| Excess of revenues over expenditures |                  | 3,629            | 3,629                                  |
| FUND BALANCE, JULY 1, 2003           | <u>84,886</u>    | <u>84,886</u>    |  |
| FUND BALANCE, JUNE 30, 2004          | <u>\$ 84,886</u> | <u>\$ 88,515</u> | <u>\$ 3,629</u>                        |

SEWER DEBT SERVICE

#2 FUND

OCEOLA TOWNSHIP  
SEWER DEBT SERVICE #2 FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

|                                |                     |
|--------------------------------|---------------------|
| Cash and cash equivalents      | \$ 252,131          |
| Special assessments receivable | 821,159             |
| Due from other funds           | <u>6,000</u>        |
| Total assets                   | <u>\$ 1,079,290</u> |

LIABILITIES AND FUND BALANCE

LIABILITIES

|                  |            |
|------------------|------------|
| Deferred revenue | \$ 821,159 |
|------------------|------------|

FUND BALANCE

258,131

|                                    |                     |
|------------------------------------|---------------------|
| Total liabilities and fund balance | <u>\$ 1,079,290</u> |
|------------------------------------|---------------------|

OCEOLA TOWNSHIP  
SEWER DEBT SERVICE #2 FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

|   | <u>Budget</u>     | <u>Actual</u>     | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------|-------------------|---|
| REVENUES  |                   |                   |   |
| Special assessments - principal                 | \$                | \$ 130,791        | \$  |
| Special assessments - interest                  |                   | 18,931            |   |
| Interest  |                   | <u>1,783</u>      |   |
| Total revenues                                  | <u>150,000</u>    | <u>151,505</u>    | <u>1,505</u>                                    |
| EXPENDITURES                                    |                   |                   |   |
| Debt service                                    |                   |                   |   |
| Principal                                       |                   | 141,488           |   |
| Interest  |                   | 24,181            |   |
| Audit   |                   | <u>250</u>        |   |
| Total expenditures                              | <u>200,000</u>    | <u>165,919</u>    | <u>34,081</u>                                   |
| Excess of revenues over<br>(under) expenditures | (50,000)          | (14,414)          | 35,586  |
| FUND BALANCE, JULY 1, 2003                      | <u>272,545</u>    | <u>272,545</u>    |   |
| FUND BALANCE, JUNE 30, 2004                     | <u>\$ 222,545</u> | <u>\$ 258,131</u> | <u>\$ 35,586</u>                                |

SEWER DEBT SERVICE

#1A FUND

OCEOLA TOWNSHIP  
SEWER DEBT SERVICE #1A FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 234,120

Special assessments receivable

304,717

Total assets

\$ 538,837

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue

\$ 304,717

FUND BALANCE

234,120

Total liabilities and fund balance

\$ 538,837

OCEOLA TOWNSHIP  
SEWER DEBT SERVICE #1A FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

|   | <u>Budget</u>     | <u>Actual</u>     | Variance<br>Favorable<br>(Unfavorable) |
|---|-------------------|-------------------|--|
| REVENUES  |                   |                   |  |
| Special assessments - principal                 | \$                | \$ 37,897         | \$                                     |
| Special assessments - interest                  |                   | 25,151            |  |
| Interest  |                   | <u>1,638</u>      |  |
| Total revenues                                  | <u>70,000</u>     | <u>64,686</u>     | <u>(5,314)</u>                         |
| EXPENDITURES                                    |                   |                   |  |
| Debt service                                    |                   |                   |  |
| Principal                                       |                   | 30,000            |  |
| Interest  |                   | 28,863            |  |
| Agent fees                                      |                   | 400               |  |
| Audit fees                                      |                   | <u>250</u>        |  |
| Total expenditures                              | <u>70,000</u>     | <u>59,513</u>     | <u>10,487</u>                          |
| Excess of revenues over<br>(under) expenditures |                   | 5,173             | 5,173                                  |
| FUND BALANCE, JULY 1, 2003                      | <u>228,947</u>    | <u>228,947</u>    |  |
| FUND BALANCE, JUNE 30, 2004                     | <u>\$ 228,947</u> | <u>\$ 234,120</u> | <u>\$ 5,173</u>                        |



WATER DEBT SERVICE

#1 FUND

OCEOLA TOWNSHIP  
WATER DEBT SERVICE #1 FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

|                                |                     |
|--------------------------------|---------------------|
| Cash and cash equivalents      | \$ 649,058          |
| Special assessments receivable | <u>1,707,144</u>    |
| Total assets                   | <u>\$ 2,356,202</u> |

LIABILITIES AND FUND BALANCE

LIABILITIES

|                  |              |
|------------------|--------------|
| Deferred revenue | \$ 1,707,144 |
|------------------|--------------|

FUND BALANCE

|                                    |                     |
|------------------------------------|---------------------|
|                                    | <u>649,058</u>      |
| Total liabilities and fund balance | <u>\$ 2,356,202</u> |

OCEOLA TOWNSHIP  
WATER DEBT SERVICE #1 FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

|   | <u>Budget</u>     | <u>Actual</u>     | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------|-------------------|---|
| REVENUES  |                   |                   |   |
| Special assessments - principal                 | \$                | \$ 213,934        | \$  |
| Special assessments - interest                  |                   | 115,910           |   |
| Interest  |                   | <u>4,300</u>      | <u></u>   |
| Total revenues                                  | <u>350,000</u>    | <u>334,144</u>    | <u>(15,856)</u>                                 |
| EXPENDITURES                                    |                   |                   |   |
| Debt service                                    |                   |                   |   |
| Principal                                       |                   | 160,741           |   |
| Interest  |                   | 145,104           |   |
| Administrative                                  |                   | <u>805</u>        | <u></u>   |
| Total expenditures                              | <u>500,000</u>    | <u>306,650</u>    | <u>193,350</u>                                  |
| Excess of revenues over<br>(under) expenditures | (150,000)         | 27,494            | 177,494   |
| FUND BALANCE, JULY 1, 2003                      | <u>621,564</u>    | <u>621,564</u>    | <u></u>   |
| FUND BALANCE, JUNE 30, 2004                     | <u>\$ 471,564</u> | <u>\$ 649,058</u> | <u>\$ 177,494</u>                               |

THOMPSON LAKE  
DEBT SERVICE  
FUND

OCEOLA TOWNSHIP  
THOMPSON LAKE DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

|                                |                   |
|--------------------------------|-------------------|
| Cash and cash equivalents      | \$ 115,430        |
| Special assessments receivable | <u>232,650</u>    |
| Total assets                   | <u>\$ 348,080</u> |

LIABILITIES AND FUND BALANCE

LIABILITIES

|                    |                |
|--------------------|----------------|
| Due to other funds | \$ 73,131      |
| Deferred revenue   | <u>232,650</u> |

|                   |         |
|-------------------|---------|
| Total liabilities | 305,781 |
|-------------------|---------|

FUND BALANCE

|                                    |                   |
|------------------------------------|-------------------|
| Total liabilities and fund balance | <u>\$ 348,080</u> |
|------------------------------------|-------------------|

OCEOLA TOWNSHIP  
THOMPSON LAKE DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

|                                      | <u>Budget</u>    | <u>Actual</u>    | Variance<br>Favorable<br>(Unfavorable) |
|--------------------------------------|------------------|------------------|--|
| REVENUES                             |                  |                  |  |
| Special assessments - principal      | \$               | \$ 21,150        | \$                                     |
| Special assessments - interest       |                  | 15,228           |  |
| Interest                             |                  | <u>828</u>       |  |
| Total revenues                       | <u>40,000</u>    | <u>37,206</u>    | <u>(2,794)</u>                         |
| EXPENDITURES                         |                  |                  |  |
| Debt service                         |                  |                  |  |
| Principal                            |                  | 20,000           |  |
| Interest                             |                  | 16,022           |  |
| Administrative                       |                  | <u>175</u>       |  |
| Total expenditures                   | <u>40,000</u>    | <u>36,197</u>    | <u>3,803</u>                           |
| Excess of revenues over expenditures |                  | 1,009            | 1,009                                  |
| FUND BALANCE, JULY 1, 2003           | <u>41,290</u>    | <u>41,290</u>    |  |
| FUND BALANCE, JUNE 30, 2004          | <u>\$ 41,290</u> | <u>\$ 42,299</u> | <u>\$ 1,009</u>                        |

OAKCREST  
DEBT SERVICE  
FUND

OCEOLA TOWNSHIP  
OAKCREST DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

|                                |                   |
|--------------------------------|-------------------|
| Cash and cash equivalents      | \$ 49,728         |
| Special assessments receivable | <u>136,279</u>    |
| Total assets                   | <u>\$ 186,007</u> |

LIABILITIES AND FUND BALANCE

LIABILITIES

|                     |              |
|---------------------|--------------|
| Deferred revenue    | \$ 101,475   |
| Due to general fund | <u>6,537</u> |
| Total liabilities   | 108,012      |

FUND BALANCE

|                                    |                   |
|------------------------------------|-------------------|
| Total liabilities and fund balance | <u>\$ 186,007</u> |
|------------------------------------|-------------------|



OCEOLA TOWNSHIP  
OAKCREST DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

|   | <u>Budget</u>    | <u>Actual</u>    | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|------------------|------------------|---|
| REVENUES  |                  |                  |   |
| Special assessments - principal                 | \$               | \$ 48,409        | \$  |
| Special assessments - interest                  |                  | 9,252            |   |
| Interest  |                  | 404              |   |
| Total revenues                                  | <u>60,000</u>    | <u>58,065</u>    | <u>(1,935)</u>                                  |
| EXPENDITURES                                    |                  |                  |   |
| Debt service                                    |                  |                  |   |
| Principal                                       |                  | 40,000           |   |
| Interest  |                  | 7,518            |   |
| Administrative                                  |                  | 986              |   |
| Total expenditures                              | <u>75,000</u>    | <u>48,504</u>    | <u>26,496</u>                                   |
| Excess of revenues over<br>(under) expenditures | (15,000)         | 9,561            | 24,561  |
| FUND BALANCE, JULY 1, 2003                      | <u>68,434</u>    | <u>68,434</u>    |   |
| FUND BALANCE, JUNE 30, 2004                     | <u>\$ 53,434</u> | <u>\$ 77,995</u> | <u>\$ 24,561</u>                                |

GOLF CLUB  
DEBT SERVICE  
FUND

OCEOLA TOWNSHIP  
GOLF CLUB DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

|                                |                |
|--------------------------------|----------------|
| Cash                           | \$ 66,135      |
| Special assessments receivable | <u>451,302</u> |

|              |                   |
|--------------|-------------------|
| Total assets | <u>\$ 517,437</u> |
|--------------|-------------------|

LIABILITIES AND FUND BALANCE

LIABILITIES

|                  |            |
|------------------|------------|
| Deferred revenue | \$ 451,302 |
|------------------|------------|

FUND BALANCE

|                                    |                   |
|------------------------------------|-------------------|
| Total liabilities and fund balance | <u>\$ 517,437</u> |
|------------------------------------|-------------------|

OCEOLA TOWNSHIP  
GOLF CLUB DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

|                                      | <u>Budget</u>    | <u>Actual</u>    | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|--------------------------------------|------------------|------------------|---|
| REVENUES                             |                  |                  |   |
| Special assessments - principal      | \$               | \$ 36,259        | \$  |
| Special assessments - interest       |                  | 24,402           |   |
| Interest income                      |                  | 359              |   |
| Total revenues                       | <u>50,000</u>    | <u>61,020</u>    | <u>11,020</u>                                   |
| EXPENDITURES                         |                  |                  |   |
| Debt service                         |                  |                  |   |
| Principal                            |                  | 30,000           |   |
| Interest                             |                  | 24,000           |   |
| Administrative                       |                  | 524              |   |
| Total expenditures                   | <u>50,000</u>    | <u>54,524</u>    | <u>(4,524)</u>                                  |
| Excess of revenues over expenditures |                  | 6,496            | 6,496   |
| FUND BALANCE, JULY 1, 2003           | <u>59,639</u>    | <u>59,639</u>    |   |
| FUND BALANCE, JUNE 30, 2004          | <u>\$ 59,639</u> | <u>\$ 66,135</u> | <u>\$ 6,496</u>                                 |

PINERIDGE ROAD  
DEBT SERVICE  
FUND

OCEOLA TOWNSHIP  
PINERIDGE ROAD DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

|                                |                |
|--------------------------------|----------------|
| Cash and cash equivalents      | \$ 33,459      |
| Special assessments receivable | <u>780,000</u> |

|              |                   |
|--------------|-------------------|
| Total assets | <u>\$ 813,459</u> |
|--------------|-------------------|

LIABILITIES AND FUND BALANCE

LIABILITIES

|                  |            |
|------------------|------------|
| Deferred revenue | \$ 780,000 |
|------------------|------------|

FUND BALANCE

|               |
|---------------|
| <u>33,459</u> |
|---------------|

|                                    |                   |
|------------------------------------|-------------------|
| Total liabilities and fund balance | <u>\$ 813,459</u> |
|------------------------------------|-------------------|

OCEOLA TOWNSHIP  
PINERIDGE ROAD DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

|                                      | <u>Budget</u>    | <u>Actual</u>    | Variance<br>Favorable<br>(Unfavorable) |
|--------------------------------------|------------------|------------------|--|
| REVENUES                             |                  |                  |  |
| Special assessments - principal      | \$               | \$ 65,000        | \$                                     |
| Special assessments - interest       |                  | 42,250           |  |
| Interest income                      |                  | 374              |  |
| Total revenues                       | <u>70,000</u>    | <u>107,624</u>   | <u>37,624</u>                          |
| EXPENDITURES                         |                  |                  |  |
| Debt service                         |                  |                  |  |
| Principal                            |                  | 65,000           |  |
| Interest                             |                  | 37,975           |  |
| Administrative                       |                  | 525              |  |
| Total expenditures                   | <u>70,000</u>    | <u>103,500</u>   | <u>(33,500)</u>                        |
| Excess of revenues over expenditures |                  | 4,124            | 4,124                                  |
| FUND BALANCE, JULY 1, 2003           | <u>29,335</u>    | <u>29,335</u>    |  |
| FUND BALANCE, JUNE 30, 2004          | <u>\$ 29,335</u> | <u>\$ 33,459</u> | <u>\$ 4,124</u>                        |

M-59/LATSON WATER AND SEWER  
DEBT SERVICE  
FUND



OCEOLA TOWNSHIP  
M-59/LATSON WATER AND SEWER DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

|                                |                     |
|--------------------------------|---------------------|
| Cash                           | \$ 413,176          |
| Special assessments receivable | <u>8,922,253</u>    |
| Total assets                   | <u>\$ 9,335,429</u> |

LIABILITIES AND FUND BALANCE

LIABILITIES

|                  |              |
|------------------|--------------|
| Deferred revenue | \$ 8,922,253 |
|------------------|--------------|

FUND BALANCE

|                                    |                     |
|------------------------------------|---------------------|
| Total liabilities and fund balance | <u>413,176</u>      |
|                                    | <u>\$ 9,335,429</u> |

OCEOLA TOWNSHIP  
M-59/LATSON WATER AND SEWER DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2004

|   | <u>Budget</u>     | <u>Actual</u>     | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------|-------------------|---|
| REVENUES  |                   |                   |   |
| Special assessments - principal   | \$                | \$ 495,347        | \$  |
| Special assessments - interest  |                   | 517,638           |   |
| Interest  |                   | <u>3,803</u>      |   |
| Total revenues  | <u>1,013,000</u>  | <u>1,016,788</u>  | <u>3,788</u>                                    |
| EXPENDITURES  |                   |                   |   |
| Debt service  |                   |                   |   |
| Principal   |                   | 425,000           |   |
| Interest  |                   | 333,550           |   |
| Administrative  |                   | <u>573</u>        |   |
| Total expenditures  | <u>800,000</u>    | <u>759,123</u>    | <u>40,877</u>                                   |
| Excess of revenues over expenditures  | 213,000           | 257,665           | 44,665  |
| OTHER FINANCING (USES)  |                   |                   |   |
| Transfer (out)  |                   | <u>(255,684)</u>  | <u>(255,684)</u>                                |
| Excess of revenues over<br>(under) expenditures and other<br>financing (uses) | 213,000           | 1,981             | (211,019)                                       |
| FUND BALANCE, JULY 1, 2003  | <u>411,195</u>    | <u>411,195</u>    |   |
| FUND BALANCE, JUNE 30, 2004   | <u>\$ 624,195</u> | <u>\$ 413,176</u> | <u>\$ (211,019)</u>                             |

EAGER ROAD  
CONSTRUCTION  
FUND

OCEOLA TOWNSHIP  
EAGER ROAD CONSTRUCTION FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS  
Cash

\$ 277,581

FUND BALANCE

FUND BALANCE

\$ 277,581

OCEOLA TOWNSHIP  
EAGER ROAD CONSTRUCTION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2004

|   |                             |
|---|-----------------------------|
| REVENUES                                |                             |
| Interest                                | \$ 4,009                    |
| EXPENDITURES                            | <u>                    </u> |
| Excess of revenues<br>over expenditures | 4,009                       |
| FUND BALANCE, JULY 1, 2003              | <u>273,572</u>              |
| FUND BALANCE, JUNE 30, 2004             | <u>\$ 277,581</u>           |

PINERIDGE ROAD  
CONSTRUCTION  
FUND

OCEOLA TOWNSHIP  
PINERIDGE ROAD CONSTRUCTION FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS  
Cash

\$ 41,229

FUND BALANCE

FUND BALANCE

\$ 41,229

OCEOLA TOWNSHIP  
PINERIDGE ROAD CONSTRUCTION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2004

|                                      |                  |
|--------------------------------------|------------------|
| REVENUES                             |                  |
| Interest                             | \$ 274           |
| EXPENDITURES                         |                  |
| Audit fees                           | <u>250</u>       |
| Excess of revenues over expenditures | 24               |
| FUND BALANCE, JULY 1, 2003           | <u>41,205</u>    |
| FUND BALANCE, JUNE 30, 2004          | <u>\$ 41,229</u> |



SEWER NEW USER  
FUND

OCEOLA TOWNSHIP  
SEWER NEW USER FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

|                                  |                     |
|----------------------------------|---------------------|
| Cash and cash equivalents        | \$ 2,099,307        |
| Due from G/O SWATH               | 30,000              |
| Contracts receivable - residents | 71,343              |
| Due from other funds             | <u>175,000</u>      |
| Total assets                     | <u>\$ 2,375,650</u> |

LIABILITIES AND FUND BALANCE

LIABILITIES

|                    |                |
|--------------------|----------------|
| Deferred revenues  | \$ 71,343      |
| Due to other funds | <u>163,000</u> |

Total liabilities 234,343

FUND BALANCE

2,141,307

Total liabilities and fund balance \$ 2,375,650

OCEOLA TOWNSHIP  
SEWER NEW USER FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2004

REVENUES

|                                 |               |
|---------------------------------|---------------|
| Connection fees                 | \$ 613,000    |
| Special assessments - principal | 4,148         |
| Special assessments - interest  | 10,621        |
| Rent                            | 5,473         |
| Interest                        | <u>17,739</u> |

|                |  |            |
|----------------|--|------------|
| Total revenues |  | \$ 650,981 |
|----------------|--|------------|

EXPENDITURES

|                                     |            |
|-------------------------------------|------------|
| Construction and system maintenance | 5,928      |
| Audit fees                          | 4,675      |
| Debt - G/O Swath                    | 305,194    |
| Miscellaneous                       | <u>250</u> |

|                    |  |                |
|--------------------|--|----------------|
| Total expenditures |  | <u>316,047</u> |
|--------------------|--|----------------|

|   |  |         |
|---|--|---------|
| Excess of revenues<br>over expenditures |  | 334,934 |
|---|--|---------|

OTHER FINANCING SOURCES

|             |  |                |
|-------------|--|----------------|
| Transfer in |  | <u>127,842</u> |
|-------------|--|----------------|

|  |  |         |
|--|--|---------|
| Excess of revenues<br>over expenditures and other<br>financing sources |  | 462,776 |
|--|--|---------|

|                            |  |                  |
|----------------------------|--|------------------|
| FUND BALANCE, JULY 1, 2003 |  | <u>1,678,531</u> |
|----------------------------|--|------------------|

|                             |  |                     |
|-----------------------------|--|---------------------|
| FUND BALANCE, JUNE 30, 2004 |  | <u>\$ 2,141,307</u> |
|-----------------------------|--|---------------------|

WATER NEW USER  
FUND

OCEOLA TOWNSHIP  
WATER NEW USER FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

|                                  |                     |
|----------------------------------|---------------------|
| Cash and cash equivalents        | \$ 509,151          |
| Contracts receivable - residents | 652,301             |
| Due from other funds             | <u>230,131</u>      |
| Total assets                     | <u>\$ 1,391,583</u> |

LIABILITIES AND FUND BALANCE

LIABILITIES

|                    |                |
|--------------------|----------------|
| Deferred revenue   | \$ 652,301     |
| Due to other funds | <u>175,000</u> |
| Total liabilities  | 827,301        |

FUND BALANCE

|                                    |                     |
|------------------------------------|---------------------|
|                                    | <u>564,282</u>      |
| Total liabilities and fund balance | <u>\$ 1,391,583</u> |

OCEOLA TOWNSHIP  
WATER NEW USER FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2004

REVENUES

|                                 |              |
|---------------------------------|--------------|
| Connection fees                 | \$ 560,000   |
| Special assessments - principal | 79,882       |
| Special assessments - interest  | 43,321       |
| Interest                        | <u>3,302</u> |

|                |            |
|----------------|------------|
| Total revenues | \$ 686,505 |
|----------------|------------|

EXPENDITURES

|  |              |
|--|--------------|
| Construction, maintenance and MHOG expansion | \$ 305,526   |
| Audit fees                                   | <u>4,675</u> |

|                    |                |
|--------------------|----------------|
| Total expenditures | <u>310,201</u> |
|--------------------|----------------|

|                                      |         |
|--------------------------------------|---------|
| Excess of revenues over expenditures | 376,304 |
|--------------------------------------|---------|

OTHER FINANCING SOURCES

|             |                |
|-------------|----------------|
| Transfer in | <u>127,842</u> |
|-------------|----------------|

|   |         |
|---|---------|
| Excess of revenues over expenditures<br>and other financing sources | 504,146 |
|---|---------|

|                            |               |
|----------------------------|---------------|
| FUND BALANCE, JULY 1, 2003 | <u>60,136</u> |
|----------------------------|---------------|

|                             |                   |
|-----------------------------|-------------------|
| FUND BALANCE, JUNE 30, 2004 | <u>\$ 564,282</u> |
|-----------------------------|-------------------|

M-59/LATSON WATER AND SEWER  
CONSTRUCTION  
FUND

OCEOLA TOWNSHIP  
M-59/LATSON WATER AND SEWER CONSTRUCTION FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS  
Cash

\$ 498,210

FUND BALANCE

FUND BALANCE

\$ 498,210



OCEOLA TOWNSHIP  
M-59/LATSON WATER AND SEWER CONSTRUCTION FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR END JUNE 30, 2004

|   |              |                   |
|---|--------------|-------------------|
| REVENUES  |              |                   |
| Interest  |              | \$ 10,339         |
| EXPENDITURES                                    |              |                   |
| Project costs                                   | \$ 1,404,003 |                   |
| Legal fees                                      | 1,776        |                   |
| Audit fees                                      | <u>500</u>   |                   |
| Total expenditures                              |              | <u>1,406,279</u>  |
| Excess of revenues over<br>(under) expenditures |              | (1,395,940)       |
| FUND BALANCE, JULY 1, 2003                      |              | <u>1,894,150</u>  |
| FUND BALANCE, JUNE 30, 2004                     |              | <u>\$ 498,210</u> |

TRUST AND AGENCY  
FUND

OCEOLA TOWNSHIP  
TRUST AND AGENCY FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents  
Due from others

\$ 87,902  
601

Total assets

\$ 88,503

LIABILITIES

LIABILITIES

Due to other funds  
Due to others

\$ 15  
88,488

Total liabilities

\$ 88,503

CURRENT  
TAX  
FUND

OCEOLA TOWNSHIP  
CURRENT TAX FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 1,167

LIABILITIES

LIABILITIES

Due to other funds

\$ 1,167

**PHP**

**PFEFFER • HANNIFORD • PALKA**  
Certified Public Accountants

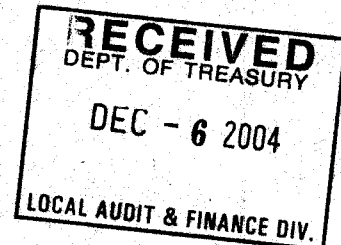
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Members:  
AICPA Private Practice Companies Section  
MACPA

September 30, 2004

Honorable Board of Trustees  
Oceola Township  
P O Box 406  
Howell, Michigan 48844-0406



Dear Honorable Board of Trustees:

During the audit process for the year ending June 30, 2004 certain items came to our attention which we would like to discuss with you. Those items are as follows:

1. State Shared Revenues

Because of the slow down in the state's economy, Oceola Township as well as other Townships are feeling the effects in state shared revenue receipts. For the year ended June 30, 2004, state shared revenues accounted for over 52% of Oceola's general fund revenues. Even though Oceola's general fund's fund balance increased significantly over the past year, we continue to caution management to keep a conservative attitude toward state shared revenue estimates when compiling your budgets in future years.

2. Medical Plan and Consideration of Adopting an Employee Manual

The Township's health/medical plan currently allows for reimbursement to employees for medical costs up to various limits, depending on the class of employee.

The Township Board should adopt a policy by passing a resolution allowing for reimbursements to employees for medical costs as part of its overall health/medical plan.

We also recommend the Township consider adopting an employee manual with all personnel policies (vacation, sick, comp time, etc.) listed. Employees should be required to sign a statement stating that he or she has read the manual and understands it. We believe this would help reduce uncertainties and confusion especially as the Township continues to grow.

3. Payroll Returns

The quarterly payroll reports (941's) could not be reconciled with the W-2's for 2003. The 4 (four) quarterly payroll reports filed with the IRS should add up to the W-2's. It appears the W-2's are correct, however, the 941's are not because the employee's deferred compensation was included as part of taxable wages. The Township may receive a notice from the IRS in the future related to this issue.

In future years we recommend prior to issuing the W-2's and the December 31<sup>st</sup> quarterly 941 report, a reconciliation be done.

**4. Special Assessment Reconciliations**

During the audit process we spent a great deal of time reconciling special assessments. The reconciliation process involves verifying the amounts posted to the general ledger to the assessor's records. In the future, the township should consider reconciling the special assessments on an interim basis, such as quarterly or biannually. We suggest the person doing the reconciliations be an employee outside of the treasurer's and assessor's office to assist with segregation of duties.

We would like to thank the township officials and employees that assisted us during the audit process for their cooperation.

If you should have any questions, comments or concerns please do not hesitate to call us.

This report is intended solely for the information and use of the Board of Trustees, and management of Oceola Township and is not intended to be and should not be used by anyone other than the specified parties.

*Pfeffer, Hanniford & Palka*

PFEFFER, HANNIFORD & PALKA  
Certified Public Accountants